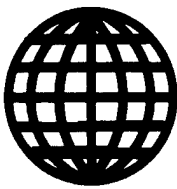


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INDIA

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International Affairs

Paper Criticizes U.S. Decision on Antidumping Probe

BK2102135593 Delhi PATRIOT in English 2 Feb 93
p 4

[Editorial: "Trade after US change"]

[Text] That a change of government in the United States will not make its dominant business interests any more willing to provide access to a developing country like India to its market, except in areas where imports from it are indispensable, has been dramatically demonstrated by the Clinton administration's decision to launch antidumping investigations against twenty Indian exporters of steel flanges. Extension of the same treatment to some exporters of the product from Taiwan only confirms this inward looking attitude of the US business and whosoever is at the helms in Washington. Their commitment first and foremost is to promotion of the interests of their own industry even if it requires violation of the principles they vociferously laud in world economic forums and exhort other countries, particularly developing ones, to follow unflinchingly. The plea always is "injury" to their domestic industry which, however, is not accepted by them as sufficient reason for the other countries to adopt the same restrictionist policy. It is blatant doublespeak they indulge in and double standards they follow in utter defiance of the covenants and trade practices they want the other countries to adhere to consistently. Viewed in the context of dumping of their own unwanted goods by certain developed countries, with even, hazardous products often forming part of the pack, this undoubtedly is an outrageous attitude on their part, an attitude that transcends the political complexion of their governments. That in the case of the Clinton Administration the continuity has become manifest almost on the morrow of its inauguration only points to the new President's deeper commitment to promoting the interests of his domestic industry. As regards the product whose import into the United States has been subjected to this restrictionist treatment, the fact that its intake from India valued a mere \$ 4.85 million in 1991 shows how insignificant must have been its impact on the concerned US industry. The US economy, as a whole, is in the grips of a recession and there is no reason to believe that this particular industry would have escaped the scourge if the Indian or the Taiwanese product had been kept out of its market. As in the case of textiles and other products, subjected to quotas and other non- tariff barriers, it is the domestic industry's interest in keeping its monopoly of the market intact by keeping the competitors away that has led to this outcry about dumping. That the advanced countries, taking recourse to this singularly unwarranted step, want the less developed economies to open their economies increasingly to external competition clearly makes this a motivated counsel. They have no intention of matching

the gesture by corresponding felling of the barriers they have put up to protect their own far-from nascent industries.

Cold War's End Brings Changes in Diplomacy

93AS0621A Bombay THE SUNDAY TIMES OF INDIA
in English 7 Feb 93 p 15

[Article by Chidanand Rajghatta and Sara Adhikari:
"From Talking Shop to Talking Business"; quotation
marks as published]

[Text] Diplomacy, a wit once said, is the patriotic art of lying for one's country. In today's grave new world, however, it could well be the art of buying for one's country. Or selling for one's country.

Suddenly the rules of the game have changed. Built on the cornerstone of ideological and cultural shibboleths for so long, diplomacy today is a new business altogether. Gone are the days of rhetoric and platitudes.

Today, the operative line is "Let's talk business." Where diplomacy once made headlines, it's now more concerned with the bottomline.

Nothing demonstrates this more than the activities during the flurry of foreign visits in the last few weeks. The British Prime Minister, Mr. John Major, arrived last fortnight, closely followed by the Russian President, Mr. Boris Yeltsin, last week. It will be the Spanish Prime Minister, Mr. Felipe Gonzalez, this week, followed by the German Chancellor, Mr. Helmut Kohl, next week.

In each case, the item at the top of the agenda was and is clear: business.

It's not just the agenda. The entire idiom and vocabulary of diplomacy itself is changing. India's pompous and ponderous views on non-alignment, disarmament, non-proliferation; its unending boarder problems with China; its tensions with Pakistan, are all of secondary importance to visiting dignitaries and delegations. All that is talking shop. They are coming here to talk business.

Take Mr. John Major's visit for instance. He came with a 17-member delegation comprising chief executives and chairmen of multi-nationals like Guinness, Cadbury Swepps, Rolls Royce, British Aerospace and British Gas. He was to later describe it as the "most prestigious group of businessmen ever to accompany a British Prime Minister abroad." And his yardstick to describe the success of his visit as reported to the House of Commons: "I have earned 20,000 jobs for the country and initiated contracts worth billions of pounds."

Or take the visit of Mr. Boris Yeltsin for that matter. His three-day trip was dominated by the talks to resolve the rupee-rouble dispute with a new Indo-Russian friendship treaty (minus the security clause) taking a backseat. Says Mr. Kuldip Nayar, a journalist and former Indian high commissioner to London: "It was always there but the realisation is greater: it's the economic power of a

country that gives it the diplomatic edge." Adds Dr. Abid Hussain, till recently India's ambassador to the United States: "Tomorrow's wars will not be fought in the battlefields but in market places. Everyone is gearing up for it."

Is India ready for this? Yes and no. In its own bumbling, uncertain way, the Indian foreign office too is adopting the new tack. Following the collapse of the bipolar world and the end of the cold war, the inevitable change in the style and substance of India's diplomacy is gradually becoming evident. Gone is the confrontationist vocabulary which so irked western nations. In its place what is merging is a moderate, pragmatic and flexible India. Says Mr. Abid Hussain: "We are now using language which is less offensive and jarring. The rhetoric of the Krishna Menon age has changed and we are now into a multi-polar view of things."

Mr. Hussain in fact is a pre-eminent example of how things have changed for New Delhi. With his vast reservoir of experience in economic affairs, he was sent to Washington as the ambassador during the V. P. Singh regime. For the aggressively entrepreneurial Americans, he came across as a refreshing change with his quick grasp of business matters and his connection with Indian economic ministries. It was also India's way of signalling that it wanted to shore up economic ties with Washington.

Mr. Hussain himself wasted little breath in talking about India's stand on non-proliferation or lobbying in the Capitol and state department. In two years, he visited 41 states and addressed over 50 chamber of commerce meetings. The upshot: on his very first visit to India he brought 12 companies, including General Electric, General Motors, Kellogg, and Cargill, to invest in India.

This new thrust in Indian diplomacy is even reflected in the appointment of ambassadors in target countries like Japan and Germany with the commerce secretary sitting in on panels that decide on postings. Besides translating the ramifications of the country's new economic stance for governments and investors abroad, our ambassadors are being increasingly called upon to sell India as a lucrative option. That is the bottom line. Of course how far this is possible, opines former diplomat Mr. S. K. Singh, when our domestic agenda is incoherent and unclear remains debatable.

With this in mind, about two dozen Heads of Missions (HOMs) were called to India in March 1992 to attend an orientation course at the Foreign Service Institute (FSI), Delhi, to be briefed about the new economic policy and its ramifications. Another such 10-day course was convened in December for 27 more HOMs. Unfortunately, Ayodhya happened before the session could start on December 7 and the ambassadors rushed back to their bases to manage the crisis at hand. This exercise, rendered futile because of an aberration in the domestic scenario, perhaps illustrates Mr. S. K. Singh's basis for scepticism.

However, the basic content of the course, now indefinitely postponed, clearly indicates the new economic dimension of Indian diplomacy. Some of the subjects that were to be covered ranged from banking and fiscal reforms to global investment climate and the potential for India. Infrastructural facilities like air, sea and surface transport and key items of export like leather, gems and jewellery were all slated for comprehensive discussion. Fifty top executives from private and public sector firms and high level government functionaries has been invited to lecture on these subjects. Mr. S.M.S. Chadha, dean of the FSI, reiterates, "The thrust towards economic and commercial work is certainly greater than before." Mr. A. K. Bannerjee, joint secretary, FSI, laments that economic issues are not given the priority they should have been. Hence, many in the foreign service don't have the wherewithal or the mental equipment to negotiate on these issues.

With the recently appointed external affairs minister, Mr. Dinesh Singh's stress on economic diplomacy, the work is cut out for our missions abroad. They will not only act as sales offices for marketing India's new economic environment but will also be responsible for communicating the feedback from the local government and business community. Above all, they should actively seek foreign investment and new markets for Indian exports.

So India too has cottoned on to the new ball game of diplomacy, though predictably, New Delhi is much slower off the mark. Even so, during the last decade the realisation has begun to dawn. When Mr. S. K. Lambah moved to Budapest in 1986 as the Indian ambassador to Hungary, he took with him a mission. Before departing, Mr. Lambah had learnt that the Oberoi group of hotels had evinced an interest in setting up a hotel in Hungary and he took it upon himself to facilitate this as a measure to improve Indo-Hungarian ties.

The ambassador's initial efforts did not prove fruitful but persistence paid. He personally visited almost every government department that could help the process and eventually a series of meetings between Hungar Hotels, a leading hotel company, and Messrs Oberoi were arranged over a span of two years.

The site that the Oberoi's fixed their eyes on, a turn of the century building belonging to Gresham Insurance Company situated on the bank of the River Danube, proved a difficult proposition and necessitated further negotiations. The building belonged to the Budapest city council who were not ecstatic about handing it over to a foreign company. The local media too voiced their disapproval. Again Mr. Lambah got into the act. He not only got the city mayor on his side and spoke to as many Hungarian leaders as he could, but also got the matter included in high level diplomatic negotiations between the two countries.

In October 1989, three months after Mr. Lambah left Budapest on completion of his term as ambassador, he

received a fax message from the representatives of the parties involved which read: "We have today signed a memorandum of articles and management contract for the Gresham Palace Hotel. We all drank a toast to you as being the father of this project..."

This is an example of the changing role of the heads of Indian missions abroad. Or, the role that is being awarded much more importance in the last five years. No longer is it enough for HOMs to negotiate geopolitical equations between countries and leave issues of economic significance to the commercial department of the missions. As was the case earlier.

Mr. Natwar Singh who served in the Indian Foreign Service from 1953 to 1984 recalls, "In my 31 years of service I never once spoke on economic issues. We thought it was infra-dig to do so and left it to our commercial officers." A rather surprising stance when Mr. Natwar Singh himself propounds the theory: "The strength of your foreign policy depends on the strength of your economy."

More and more, Indian envoys being posted out are realising the importance of being clued into economic affairs. Mr. Kuldip Nayar was sent to London as the high commissioner by the V. P. Singh government—mainly at the prompting of the then foreign minister, Mr. I. K. Gujral—primarily to deal with the pro-Khalistani elements because of his familiarity with the problem. In the eight months he was there, Mr. Nayar won admiration for the manner he dealt with them.

But 'business diplomacy' was never far from his mind. Though untrained and largely clueless about economic matters—his entire journalism was politically oriented—Mr. Nayar had to put in long hours learning a subject that was new to him. When Shell wanted to set up a petrochemical facility in India, he had to quickly size up the petroleum industry. When Lloyds wanted to open a branch in Ludhiana, he had to read up on the banking sector. At every stage, he had to keep tabs on the government policy on NRIs [Nonresident Indian]. Says he: "I realised very quickly that today's envoy is as much a trade representative as an ambassador."

Indeed, with the end of the cold war and a defunct non-aligned movement, India has had to hurriedly rethink its foreign policy. And with it, change the old mind-set to taking stances against colonisation, imperialism et al as key functions of our foreign missions. And, of course, the liberalisation of the economy, a direct result of the dramatic changes in the world order, has only added to the urgent need for an aggressive economic diplomacy. Mr. P.M.S. Malik, additional secretary in-charge of economic affairs in the Ministry of External Affairs (MEA) asserts, "Today in our major missions the highest priority is being attached to economic issues. Earlier economic negotiations were not considered to be the normal functioning of an ambassador, now it is."

If political equations and groupings used to earlier dictate trade relations, now trade relations dictate some

of the issues that our foreign offices have to deal with (see box). This is in fact true of diplomatic relations the world over. Mr. Abid Hussain in fact quotes Lawrence Eagleburger, the only career diplomat to become the U.S. secretary of state, as having told American envoys that he would "judge their performance by the amount of business they bring for the country."

Even social issues like child labour, environmental pollution, human rights have appeared on the diplomatic agenda precisely because of this. Says Mr. Derek Brown, correspondent of THE GUARDIAN in New Delhi: "Sure the western businessman is coming here for cheap labour but he will not stand for the appalling conditions that some of them have to work in."

World over then, the language of diplomacy is changing. The compass of ideology which used to guide diplomats has been cast aside. Today, the United States' primary concern with Germany is its high interest rates, with Japan it is Tokyo's consumer drive, with France it's Paris' agricultural subsidy and with India it's New Delhi's rigid structures.

From all accounts, India is gearing up for the new battles and as Mr. Shiv Mukherjee, New Delhi's foreign office spokesperson says, "These trips and the way they are happening also reflect our change of policy." And despite the scepticism that marked Mr. John Major's visit, Mr. Derek Brown, GUARDIAN, correspondent who has been in India for six years, points out that it is the first time that British businessmen were visiting India "without imperial interest or any old strings attached." That in itself is a positive sign and an indication that India's public relations is at work.

Report on UK Prime Minister Major's Visit

25 Jan Activities

93AS0582A Madras THE HINDU in English 26 Jan 93
p 1

[Article by K.K. Katyal: "Major for Improved Economic Cooperation"]

[Text] New Delhi, Jan. 25—The main focus of the British Prime Minister, Mr. John Major's talks today with his Indian counterpart, Mr. P.V. Narasimha Rao, and at other levels was on economic cooperation in concrete areas, but Kashmir and Indo-Pakistan relations got exaggerated publicity—perhaps because of the juicy nature of the discussions on political disputes. The discussion on these and other political issues provided a mixed fare—agreement in some cases, re-statement of known divergent views in others. The joint resolve to fight terrorism was one of the points of agreement.

The highlights of the economic content of the discussion included the signing of three agreements—between British Gas and GAIL, British Aerospace and HAL

[Hindustan Aeronautics Limited] and on double taxation—the formulation of a Indo-British Partnership Initiative, the interaction of the visiting British team of business representatives with the two Prime Ministers.

The stress on economic issues was evident from Mr. Major's remarks at a press conference, his address at the banquet hosted by Mr. Rao in his honour and the discussions of the two Prime Ministers, a gist of which was given by the Foreign Office Spokesman. Kashmir and Indo-Pakistan relations also figured on all the three occasions.

At the press conference, Mr. Major emphatically denied that he had, at any stage, suggested British mediation between India and Pakistan on the Kashmir issue. This intractable problem, according to him, had to be settled between India and Pakistan and "we are prepared for assistance, if asked." He spoke of his Government's three-point approach, more than once—in the following words at the banquet: "If India is interested in our relationship with our neighbours, we are also interested in India's relationship with hers. The tensions which exist, fears about weapons of mass destruction and military missile technology, are a matter of serious concern to us. We hope that India and Pakistan can find ways to break through the present deadlock, and start to resolve some of the fundamental issues which divide them. Chief among these is Kashmir. We believe the best way forward is through a genuine political dialogue under the Shimla Agreement, a political process and respect for human rights in Kashmir, and a cessation of the internal support for the militants there."

The Kashmir controversy became curiouser and curiouser [as published] in view of the reports in the British press that Mr. Major's "attempts to mediate in the Kashmir crisis suffered an apparent rebuff before they started." The vehemence of Mr. Major's denial appeared understandable in this context. In keeping with the known British stand, Mr. Major told Mr. Rao as quoted by the spokesman that his Government was supportive of "re-starting the bilateral political process with Pakistan."

Mr. Rao stressed India's willingness to structure good-neighbourly relations with all its neighbours, including Pakistan.

The Pakistan Prime Minister, Mr. Nawaz Sharif, was quick to welcome Mr. Major's emphasis on negotiations between India and Pakistan to resolve the Kashmir issue. Recalling his own proposal to India to commence negotiations under Article 6 of the Shimla Agreement, Mr. Sharif, according to a Pakistan High Commission release, expressed the hope that "the personal interest of the British Prime Minister would lead to a way out of the present impasse."

Mr. Major's support to the Government of India in the handling of the recent problems was notable for its categorical tone.

"All Prime Ministers," he said at the banquet, "face intolerable problems. Few of us face, as you do now, decisions on what are quite literally matters of life and death for your people. These are huge responsibilities. All of us salute your courage and offer you what support we can in your work of safeguarding the fabric of Indian life so successfully created over many years. Warmth and understanding are hallmarks of our bilateral relationship. Today, relations are closer and deeper than at any time since 1947."

Condemns Terrorism

On the fight against terrorism, too, Mr. Major was forthright. He spoke of the shared fundamental abhorrence of terrorism, "which has tragically affected both our countries. Referring to the recent landmark treaty on extradition and the agreement on confiscation of assets, he was certain that the successful record of cooperation would continue. Britain, according to him, was opposed to terrorism, extremism and secession.

There was another occasion for Mr. Major to reiterate his determination to fight terrorism. At the press conference, he was asked about his security arrangements (today's tabloid press in Britain spoke of the threat to Mr. Major in striking headlines). The visiting Prime Minister said he was entirely content with the security arrangements. "The threat comes from our commitment to the extradition treaty. We have to deal with international terrorism. Any threat cannot change our resolve."

The talks between the two Prime Ministers, lasting two hours, covered all aspects of Indo-British relations.

The discussions on nuclear non-proliferation were on expected lines with each side re-stating its position. However, no details were given in the official briefing and Mr. Major's reference at the press conference too was sketchy. He spoke of the growing support to the Nuclear Non-Proliferation Treaty [NPT] and felt India's accession to it would enable the superpowers and others to scale down their nuclear programmes. However, Mr. Major said, he understood India's difficulties, but did not elaborate the point.

Mr. Rao, presumably, reiterated India's objections to the discriminatory nature of the treaty but expressed support to a multilateral approach that took into account its security concerns.

Britain's appreciation of India's economic package and the resolve to make the optimum use of it stood out in the discussions at various levels. On his part, Mr. Rao assured that the reforms were irreversible.

The two leaders spoke profusely of the many common perceptions about the world around them. As Mr. Rao said at the banquet: "We share an identity or similarity of views on a number of issues. Both our Governments share a strong commitment to the U.N., its basic purposes and principles as enshrined in the U.N. Charter. At a time when the U.N. is increasingly being called upon to

assume difficult and delicate additional tasks, a particularly onerous responsibility devolves on countries such as ours in promoting its noble aims.

"We recognise the threat to pluralistic and democratic societies and nation States from religious fundamentalism and narrow ethnic chauvinism. These threats need to be firmly countered through a renewed commitment to democracy and secularism, social justice and a firm rejection of bigotry in any form, in order to ensure that sectarian irredentism does not threaten the unity and integrity of nations."

According to the visiting British business team members, the political problems recently faced by India did not figure in their discussions at any stage. Obviously, they did not take a gloomy view of the situation. That should be a matter of satisfaction, but India's low credit rating was a matter of concern here.

Partnership Initiative

93AS0582B Madras *THE HINDU* in English 26 Jan 93
p 9

[Article by K.K. Katyal: "U.K. Suggests 10-Point Trade Initiative"]

[Text] New Delhi, Jan. 25—British business leaders, now here with their Prime Minister, Mr. John Major, have presented a ten-point Indo-British Partnership Initiative (IBPI) during talks with their Indian counterparts and senior officials. The discussions culminated in the British group holding a meeting with the two Prime Ministers, Mr. Narasimha Rao and Mr. John Major, today.

The IBPI proceeds from the premise that the number of British companies in India provides a good base for expanding their involvement, though "memories of previous policies hostile to foreign investors" still lingered. They were encouraged by the evidence that India was on the move economically, stimulated by reforms, and particularly welcomed the measures for encouraging foreign investment, industrial delicensing, opening up of trade and lowering of tariffs, revision of the Foreign Exchange Regulation Act [FERA], and opening up of key sectors to private domestic and foreign investment. At the same time, several areas of concern were noted, like labour laws, the remaining import controls, tariff levels, and delayed financial sector and company law reforms.

The overall conclusion was that the ambitious liberalisation programme must be continued and the momentum kept up but that the progress made deserved a positive response. Further liberalisation measures and the satisfactory progress of India's economy were considered relevant to the provision of official British export credit insurance for capital goods imports to promote growth in India. Also noted were the attractions offered by India, and the fact that the goodwill among the business communities had not been fully exploited in the past.

Steps suggested: These sentiments formed the basis of the IBPI, which suggested the following measures:

An examination of existing institutional links between industry and trade organisations, as well as between Government representatives, to create an ongoing process of collaboration;

Building on these links, to arrange an enhanced series of promotional events in each country to create an awareness of what the other has to offer in trade and investment opportunities;

Identification of sectors of particular interest for collaborative efforts. For British business in India these should include energy (particularly power), telecommunications, air transport, food processing and banking and financial services and the environment;

The organisation of joint events to promote these sectors. A major Indo-British Energy Seminar is already planned for Delhi in March. Food processing will be the subject of a seminar during the Indian Engineering Trade Fair (IETF) in February. A seminar covering banking and financial services is planned for Bombay later in the year. Plans for seminars on other sectors should be drawn up;

To encourage new collaborations which can result in joint ventures in and sales to third countries;

To assist in management (particularly, following the introduction of new technology) and quality development, especially with regard to the attaining of ISO 9000 by Indian manufacturers;

To build on links already made with the Prince of Wales' Business Trust;

Encouragement of more trade missions in both directions (note the recent success of the U.K. Trade Advisory Committee for South Asia (TACSA) missions to India and Confederation of Indian Industry (CII) missions to Britain);

Encouragement of additional participation in trade fairs in each other's countries (note encouraging size of British presence at IETF 1993), and

The aim should be to involve small and medium-sized companies on both sides, as well as the large ones represented here. Industry in each country should be encouraged to look naturally to the other. With both the British and Indian economies poised for renewed growth, two-way trade and investment could increase dramatically in the next few years.

Agreement on Trade Pacts

93AS0582C Madras *THE HINDU* in English 26 Jan 93
p 9

[Text] New Delhi, Jan. 25—The first day of the British Prime Minister, Mr. John Major's official visit to India

resulted in three agreements to further bilateral economic cooperation. Along with a revised treaty on the avoidance of double taxation, which was signed between the two Governments, two other deals were also finalised between British Aerospace and Hindustan Aeronautics Limited (HAL) and British Gas and Gas Authority of India Limited (GAIL).

The revised agreement for the avoidance of double taxation replaces the earlier pact which had been notified in November 1981. The new agreement reflects the changes in tax laws that have taken place in the two countries and is in line with the international trends in tax treaties.

The new agreement was signed here today by the Chairman of the Board of Direct Taxes (CBDT), Mr. S. Ramamurti, and the British High Commissioner in India, Sir Nicholas Fenn, in the presence of the Prime Ministers of the two countries, Mr. Narasimha Rao and Mr. John Major.

Joint venture company: The second agreement between British Aerospace and HAL was a memorandum of understanding for the formation of a joint venture company called BAeHAL Software Limited. This was signed by Mr R.N. Sharma, Chairman of HAL, and Mr. Dick Evans, Chief Executive of British Aerospace PLC.

The joint venture company follows a 15-month pilot project scheme covering the development and manufacture of complex computer software using a dedicated satellite and fibre optic links between computer terminals in Bangalore and the British Aerospace IBM mainframe computer based at the company's Warton site in Lancashire, England.

Gas project: The other project, formalised between British Gas and GAIL, is for the formation of a joint venture to supply natural gas in Bombay. In this joint venture, to be approved by the Union Government, British Gas and GAIL will have a 35 per cent share each with the Maharashtra Government as the other shareholder. Over the next 10 years, the company is expected to invest about £100 millions.

The project will use gas from Bombay Offshore and will involve the setting up of a gas distribution network to serve more than 600,000 commercial, domestic and industrial consumers in Greater Bombay area.

The project was formalised after discussions here today between the GAIL Chairman, Mr. K.K. Kapur, and the Chairman of British Gas, Mr. Robert Evans.

Meeting With Industrialists

93AS0582D Madras *THE HINDU* in English 27 Jan 93 p 1

[Text] New Delhi, Jan. 26—Britain has offered to increase its investments in India in response to the economic reforms programme launched by the Government here.

The assurance for increased direct investment here came from the British Prime Minister, Mr. John Major, who had an hour-long meeting with Indian industrialists at the office of the Confederation of Indian Industry (CII). The meeting was jointly organised by the CII, FICCI [Federation of Indian Chamber of Commerce and Industry] and Assocham, the apex chambers of commerce and industry.

Responding to the comment by the CII president, Mr. J.J. Irani, that Britain, which was an opening batsman and had gone down in the batting order as far as foreign direct investment was concerned, Mr. Major said "Britain will move up the batting order since the wicket is more friendly in India." The British Prime Minister said his country's interest in India was very high and it was deeply interested in investing in areas like power generation and transmission, telecommunications, food processing, banking and financial services.

Mr. Major also told the industrialists that the British industrial delegation accompanying him was extremely pleased with their meetings with the Government officials and representatives of Indian industry.

Calling upon Indian industry to support the Government in its reforms programme, Mr. Major said "I welcome the economic reforms and urge the Indian industry and their leaders to give the Government of India further support for the long term health of the economy." He also expressed the hope that the reforms would be carried further, especially in the fiscal area such as reduction in tariffs.

Referring to single European market, Mr. Major said that Europe today was the largest free trade market and his country was determined to see that Europe did not become a fortress and that the trade barriers were removed. In this context, he invited Indian industry to invest in Britain to have a direct access to the European market.

Responding to a question by the FICCI president, Mr. Kantikumar Podar, the British Prime Minister agreed that the Uruguay Round should be finalised at an early date since it would benefit not only the industrialised countries but every single trading nation.

In his replies during the question and answer session, initiated by the Assocham president, Mr. N.M. Dhuld-hoya, Mr. Major suggested that Indian industry broaden its manufacturing base through foreign investment, inflow of technology and finally by gaining access to foreign markets.

Taxation Agreement

93AS0582E Calcutta *THE TELEGRAPH* in English 26 Jan 93 p 8

[Text] New Delhi, Jan. 25—India and the United Kingdom today signed a fresh pact to avoid double taxation, incorporating recent changes in the tax laws of the two countries.

While the double taxation accord was signed at the government level, business groups of the two countries signed a memorandum of understanding to implement the ideas generated at yesterday's meeting of the Indo-British Partnership Initiative.

The two sides also agreed to initiate steps for providing investment guarantees to the private sector.

The agreement on double taxation was signed by Mr. S. Ramamurti, chairman of the Central Board of Direct Taxes (CBDT), and Sir Nicholas Fenn Kong, British High Commissioner in India.

The two prime ministers, Mr. P.V. Narasimha Rao and Mr. John Major, were also present at the function.

The agreement includes the recent changes in tax laws for non-residents and the latest international thoughts on tax treaties. The new pact also replaces the earlier one signed in November, 1981.

Besides providing for reduced tax rates in specified areas, the new pact is expected to help Indian industry modernise and grow by encouraging investment and technology flow in "essential areas."

It also provides for exchange of information between the two countries' tax authorities for preventing fraud and evasion.

The two sides also agreed to increase technical and economic cooperation. The British side assured of encouraging investment in India.

The high-level British business group gave a detailed presentation to the Prime Ministers about their discussions with the Indian entrepreneurs and Indian officials.

Mr. Major said he was "sanguine" that Indo-British economic cooperation would further improve in the future.

Mr. Narasimha Rao, said in his reply that despite the disturbances following the Ayodhya event, there should be no doubt about the overall stability of the economic policies in India.

He reaffirmed India's commitment to democracy, human rights and "a practical approach to economic issues."

Pawar Interviewed on Outcome of Yeltsin Visit

93AS0586 Madras THE HINDU in English 30 Jan 93
p 6

[Text] New Delhi, Jan 29—The Defence Minister, Mr. Sharad Pawar, today described as a "positive development" the conclusion of agreement on bilateral defence cooperation with Russia and said it would greatly relieve pressure on the Indian armed forces.

Mr. Pawar told PTI that the agreement had "totally resolved" the issue of supply of spares for the Russian frontline equipment in use with the Indian armed forces.

The Defence Minister said the impasse over the issue of supply of spares, overhauling and renewing a joint production agreement had badly hit the armed forces. "But we are now relieved and happy," he said.

Mr. Pawar was all praise for the bold initiative and positiveness shown by the visiting Russian President, Mr. Boris Yeltsin, which he said had led to conclusion of such a comprehensive agreement.

Anxiety: With the frontline armament in use with the three services, the disruption in the supplies had caused considerable anxiety with war reserves becoming critical. But with the conclusion of the new agreement guaranteeing supply of spares, overhauling and joint production, defence officials said a new lease of life had been given to Russian equipment in use with the Indian armed forces.

The disruption in 1991 and 1992 in the serviceability of interceptor Mig-29 had almost led to 30 percent grounding of India's frontline battle aircraft.

The slow pace of supplies had also badly affected the attack helicopter fleet of MI-25 and the upgraded version of MI-28s the transport fleet of giant IL-76s as well as medium range AN-32s and the transport helicopter fleet. This had led India to make on-the-shelf purchases of critical parts to stave off grounding of almost 50 percent of the squadrons, the officials said.

The Defence Minister said the agreement on defence had been reached after week-long deliberations between the two sides. The Russian side was led by the First Deputy Prime Minister, Mr. Vladimir Shumeko, and the Defence Minister, Gen. Pavel Grachev. The Russian defence delegation had come to India a week ahead of Mr. Yeltsin.

Mr. Pawar said the two sides had held extensive deliberations before coming up with the new agreements which contained resolution of all outstanding issues between the two countries on defence and joint production and export of weapons.

The Defence Minister said the agreement on product support would have far reaching effects. He said the tie-up on product support would help India in acquiring spares equipment being manufactured in other Commonwealth of Independent States and also progressively in their being made in India. Some of the vital components of the giant IL-76 are made in Uzbekistan and of AN-32 in Ukraine.

On the Army side, the agreement would help in staving off spare parts problems for the Indian main battle tank T-72, the BMP-Two armoured personnel carriers, the Schilka close air support guns, the Strela missiles and ground-to-air SA-6 and SA-8B missiles.

Like the Air Force, the Indian Navy also uses Russian equipment like the Kashin class missiles destroyers, TU-142M long-range maritime reconnaissance aircraft and Kamov anti-submarine helicopters.—PTI

Analyst on 'New Phase' in Relations With Moscow

93AS0585 Madras THE HINDU in English 1 Feb 93
p 8

[Article by K. K. Katyal; quotation marks as published]

[Text] The recent India visit of the Russian President, Mr. Boris Yeltsin, marks a watershed not only in the bilateral Indo-Russian relations but also in Moscow's world view and its management of foreign affairs. An inkling of the change was available on the eve of his departure from his country but its extent and quality became clear only after his talks with his Indian hosts and public utterances. India has reasons to be happy about Russia's new positions.

Take the bilateral case first. Following the collapse of the Soviet Union, Russia, though the successor State, decided on a major break with the past—and this, as was natural, affected India. The "special relationship" was discarded, the 1971 Treaty of Peace, Friendship and Cooperation was sought to be substituted by an arrangement that did not contain the vital security clauses. There would have been no serious cause for concern in New Delhi had Russia shown a little less of ambiguity about the ties with India. The emergence of different lobbies in Moscow, in the Russian Parliament and outside—some taking less than a sympathetic stand on India—did not go unnoticed here.

Disturbing indeed were the signals conveyed by the new postures of Moscow in general, and the pro-Pakistan statement by the Russian Deputy Prime Minister in Islamabad and Moscow's voting behaviour in the U.N. on issues concerning India. The slowdown in trade, the pause in the supply of spares, badly needed by India for the military hardware purchased from the erstwhile Soviet Union, though resulting from the transitional confusion and uncertainty in Russia, added to doubts about Moscow's attitude towards India.

From the Indian standpoint the position now presents a refreshing contrast. Few in New Delhi expected that the Russian leader would come out with categorical, forthright statements on Kashmir, India-Pakistan relations and the like. He lost no time about it—the assurances of support were conveyed to the Prime Minister, Mr. P.V. Narasimha Rao—within two hours after the ceremonial reception—in the first round of official talks. At the lunch hosted by the Confederation of Indian Industries [CII], soon after, he repeated the assuring words on Kashmir. The following day, he went public: what he said in the Central Hall of Parliament, at the meeting organised by the India International Centre and later at a press conference bears repetition. On Kashmir, according to him, "truth was on the side of India and we

intend to defend and support the truth." Lest there should be any doubt about the stand at the U.N., Mr. Yeltsin made it clear that Russia would consistently abide by its support to India on Kashmir, as a member of the Security Council. At the Central Hall function, he departed from the text to stress that "we support India's position on Kashmir firmly and unwaveringly" or that "we do not intend to extend any military and technical aid to Pakistan."

Before the visit, the main focus was expected to be on economic issues, especially because differences in that field had cast a shadow on the development of bilateral relations. In practice, the interaction on political subjects turned out equally significant. Apart from the support on Kashmir and related issues, he showed understanding and sympathy for the Indian Government in the face of serious challenges. Coming as it did in the wake of similar assurances by the British Prime Minister, Mr. John Major, it meant a big boost to Mr. Rao. "We are aware," he said in his public address, "that it is very important for India to preserve inter-communal peace. I am firmly opposed to any attempts to use pending problems in your country to selfish political ends. I can fully assure you that the top leadership in Russia is not divided on that subject." This demonstration of total, unequivocal support was the pleasantest of surprises in New Delhi.

As regards economic and defence matters, the arrangements worked out during Mr. Yeltsin's visit were, no doubt satisfactory but a lot depends on implementation. That is because Russia, like India, faces several economic and political difficulties and the production and distribution mechanisms have yet to stabilise. As a result, it may not be easy to meet the commitments made in the New Delhi talks, despite the sincerity of the leadership. The assurances on the supply of spares for the Soviet-supplied military hardware are heartening but a sizable number of defence manufacturing units in Russia have switched to production of items of civilian use. That could possibly create problems. Apart from improving the functioning of the enterprises in Russia, two other proposals were mooted—setting up of joint ventures in India to produce spare parts and two, transfer of technology to India to undertake such production. The establishment of such units here would be welcome to other countries of Asia which have bought or are planning to buy Russian equipment, like Malaysia and Indonesia.

As a matter of fact, the suggestion to this effect emanated from them—they would like India to be in the picture for guaranteed supplies. Russia, too, should be happy about it, because of the promise of increased sale of its military equipment. According to a report in the FAR EASTERN ECONOMIC REVIEW, "Malaysia (which is to buy the MiG 29 planes) hopes to overcome any potential problems by linking up with India," a major MiG 29 operator which had manufactured the earlier generation fighter planes. Russia was stated to have offered to set up a \$180

million plant in India. New Delhi however will need to be sure about the viability of such ventures.

The agreement on the rupee-rouble exchange rate and the quantification of India's debt to Russia was, to use Mr. Yeltsin's words, the result of a "compromise, minute by minute, hour by hour." As he saw it, the "victory of compromise" would help impart dynamism to bilateral relations. The agreement envisaged rescheduling of the 37 percent of the debt, with a 45-year repayment period at zero interest rate. A solution had defied several attempts in the past, including the one by Russia's First Deputy Prime Minister, Mr. V. Shumeiko, who was here on the eve of Mr. Yeltsin's arrival. Despite several rounds of talks with the Finance Minister, Dr. Manmohan Singh, there was no breakthrough. Mr. Shumeiko was not prepared to increase the concessional component beyond 28 percent. The political decision at the top level saved the situation. It was however not easy to settle the details even after the two leaders agreed on the framework, as the Russian officials—so it appeared to the Indian side—were reluctant to follow the logical corollary of the political-level decision. If India had the satisfaction of having more than one third of the debt rescheduled, Russia should be happy that the balance was to be covered by the 1978 protocol, favourable to it.

To say that the change in Russia's policy is the result of conscious, well-thought decisions in Moscow is to stress the obvious. But what is that weighed with Russia? It, like India, is vulnerable to the forces promoting ethnic conflicts as also to religious fundamentalism. There is, thus, an identity of interests—against these forces. Any weakening of the central authority in India would mean accretion of strength to disruptors which, in turn, could mean a bigger threat to Russia.

The new Treaty of Friendship and Cooperation was finalised a year ago—in the light of the thinking in Moscow then. The security clauses, in any case, could not have stayed, given the new conceptual orientation to Moscow's foreign policy which remains unchanged, in essence. However, the other agreements, especially those on defence cooperation and Indo-Russian consultations, take care, to some extent, of the deficiencies in the new treaty. Here again, the proof of the pudding will be in its eating.

Closer relationship with India fits in with Mr. Yeltsin's anxiety for a balance between the East and the West. Conscious of the charge that he had been tilting towards the U.S., he now seeks to rectify the lopsidedness. Behind this also is the realisation that inadequate attention to those who had had established strong linkages with Moscow, would not be in Russia's interest. His suggestion for a "peaceful interaction among the three large Asian countries," Russia, India and China, which could become a powerful factor in the world, though amorphous, could open up exciting possibilities. Will it lead to the West distancing from Russia? One guess is as good as another.

Yeltsin Team Stays Behind for Discussions

93AS0584 Madras *THE HINDU* in English 4 Feb 93
p 1

[Article by K.K. Katyal [quotation marks as published]

[Text] New Delhi, Feb. 3—The technical team of over 30 Russian experts which spent over a week here before the arrival of their President, Mr. Boris Yeltsin, stayed on even after his departure for continued discussions with the Defence Ministry officials. The details of their talks are not known but obviously they covered a vast area—at the second stage in the light of the decisions taken at the top political level. What stood out was the thoroughness and comprehensive nature of the discussions.

The agreement on defence signed during Mr. Yeltsin's stay committed the two sides to "promotion of bilateral defence relations and cooperation in specific areas, including guaranteed supply of defence equipment, related items, spare parts, product support and comprehensive services needed for maintenance, repair, including overhaul, and modernisation." The 'guaranteed supply' was applicable to Russia and was intended to take care of India's concern over the non-availability of spares for the Soviet-supplied military hardware.

Problem areas: However, because of diverse, complicated practical problems, the agreement needed to be followed up with detailed discussions in respect of individual categories of items. Some of the difficulties might persist despite the directives from the top and alternatives needed to be worked out. The problems arose from the following factors:-

Russia was placing great stress on high technology, with the result that some of the old makes were considered obsolete and were phased out. There are, thus, no infrastructural facilities to maintain the supply of spares to India where the old generation equipment was still in use;

The break-up of the command economy meant serious difficulties for individual enterprises. There were no guaranteed orders or guaranteed supply of the raw material to them, contrary to the practice in the past;

The emphasis on defence production was reduced even before the collapse of the Soviet Union—and certainly after it. In 1990, for instance, the domestic orders for defence items shrank by 36 per cent and in 1991 by 66 per cent. The cut in the defence budget and the marked change in the threat perception were also relevant to this development;

After the demise of the Soviet Union, there was a large-scale switch-over from defence production to items of civilian use, and

There had been amalgamation of defence production units, item-wise. As a result, the original sources of supply disappeared, for sure, but that did not mean automatic replacement by new channels.

Three proposals: It was in this context that the three proposals commended during Mr. Yeltsin's talks with the Prime Minister, Mr. P.V. Narasimha Rao, became doubly relevant. The three suggestions were (a) improving the efficiency of the Russian enterprises, engaged in manufacturing spares; (b) establishment of joint ventures in India to produce spare parts; and (c) transfer of technology to India to enable the factories here to manufacture spares.

The joint ventures could be viable if there are sufficient number of users of the Soviet equipment in Asia. Malaysia, for instance, is about to clinch a deal for the purchase of 30 MiG 29s and six M1-24 HIND helicopter gunships from Russia. Malaysia has already expressed interest in India's help in the maintenance of the MiG 29 fighter aircraft, though the M.O.U. [Memorandum of Understanding] signed by the Defence Minister, Mr. Sharad Pawar, with his counterpart in Kuala Lumpur, two days ago, did not take that into account.

German Firms Plan Expansion in India

93AS0593A Bombay THE TIMES OF INDIA
in English 28 Jan 93 p 18

[Italicized words as published]

[Text] Bombay, January 27. An effort is on to revive the flagging German interest in investment and trade with India and to boost Indo-German cooperation.

According to Dr. Guenter Kreuger, executive director of the Indo-German Chamber of Commerce, India's liberalisation moves came a little too late for Germany. The German unification resulted in a concentrated government-backed effort to boost investment and the economy of east Germany, while the developments in Europe opened up huge markets with cultural combatibility and cheap labour close to home.

However, according to Dr. Kreuger, with the German economy in the doldrums, a renewed effort is being made to explore Indian markets and joint venture possibilities.

Talking to *The Times of India*, Dr. Kreuger said, "there are actually three important reasons for the upswing in interest in India—the new economic policies; growing awareness in Germany about the importance of the India-Pacific region, particularly China and India; and that Germany is facing a recession and is looking for markets abroad."

He said most of the top German companies operating in India had announced huge expansion plans while several others were exploring possibilities of further tie-ups. Heading the list were German automobile giants. For instance, both Volkswagen and Audi were looking at joint venture possibilities, while BMW had stated that it was still keen on India though its partnership with Escorts had fallen through.

Dr. Kreuger said that in line with the renewed interest, Germany had planned to participate in big way in the 10th Indian Engineering Trade Fair, to be held in New Delhi from February 14. The highpoint of this fair would be the visit by Chancellor Kohl, who would be leading a high ranking 20-member delegation from the Federation of German Industry (BDI), including the chiefs of Siemens and ABB.

Chancellor Kohl, who will arrive in India on February 18, is scheduled to visit the fair on February 20.

German participation will be organised by Dusseldorf Fairs, and at least 100 German companies will be part of the full-fledged German participation. This will include exhibits of their products or hardware, lectures and joint seminars forming the software part and a German coinage called "artware", which will include a display of German art and cuisins. This will be the largest German technology show in India since the Technogerma in 1988, said Dr. Kreuger.

Another important feature will be the participation by the former east Germany in the fair, mainly because Indian industry houses have shown keen interest in investing in east Germany.

When asked if the recent outburst of violence had any impact on German business interest, Dr. Kreuger said: "The reaction has been very mild." He attributed this to the general unrest and violence the world over, particularly eastern Europe.

For example, he points out, there have been no cancellations in the German participation at the trade fair except for queries about what precautions should be taken in terms of travel plans. Dr. Kreuger said that while several programmes organised by the chamber had been cancelled after December 6, even these had more to do with the strike by Indian Airlines pilots than the violence.

It is pointed out that 78 percent of all Indo-German joint ventures increased their sales in 1992 and 82 percent of them expect to repeat the performance in 1993. Dr. Kreuger believes that liberalisation policies of the government are a big psychological boost, since most industrialists are attracted by catchy slogans such as India to liberalise, foreign companies allowed majority shareholding, etc.

President Calls for North-South Cooperation in Science

93AS0606C Bangalore DECCAN HERALD in English
14 Feb 93 p 13

[Article: "Call for Cooperation in Science, Technology"]

[Text] New Delhi, Feb. 13—The President Dr. Shankar Dayal Sharma today called for greater North-South

cooperation in science and technology to the fullest degree to tackle the enormous problems, of poverty, disease and backwardness.

Inaugurating the tenth Indian Engineering Trade Fair here, the President said India was determined to contribute its utmost towards these objectives for a better future for all and welcomed the positive initiatives taken by many developed and industrialised nations in this direction.

Noting that Indo-German cooperation has always led to very noteworthy results, Dr. Sharma said India appreciated that some of the largest technical cooperation projects taken up by Germany, which is the partner country in the fair this year, are located here.

The Rourkela steel plants, the Neyveli Lignite power project and the Ramagundam thermal power station are some of the outstanding examples of this cooperation, he said.

India has undertaken several measures to minimise regulatory controls on industrial growth while the large reservoir of highly trained manpower resources has helped the country to participate more fully in global economic activity and attract increasing foreign financial and technological investment, Dr. Sharma told the gathering.

The next few years could witness very positive enhancement in the qualitative and quantitative attributes of Indian industry—a prospect that would be of great benefit to other countries too, he said.

Internal Affairs

Bombay January Riots Not Unplanned

93AS0587A Madras THE HINDU in English 5 Feb 93
p 8

[Article by Kalpana Sharma: "A Watershed in Bombay"]

[Text] January 1993 will long be remembered as a turning point in the annals of Bombay. There have been communal incidents before, but in the past, communities, whose interdependence has undergirded the economic strength of the city, were able to weld together a working arrangement once violence subsided. This time, the fracture is much deeper and more permanent. Mending it will take longer and the crack may never be permanently sealed.

With the madness and violence that gripped the city for ten days having finally ended, the shell-shocked citizens of Bombay are able to take stock of what had happened. Several aspects about the troubles have surfaced now.

First, while the December riots were more in the nature of a spontaneous outburst of anger and disappointment by the minority community about the events in Ayodhya on December 6, the January conflagration was not, as is

made out by some, an unplanned, angry reaction of youths from the majority community. While there may have been some incidents of such spontaneity, there were many more events which suggest a systematic and planned attack by one community on another. In fact, this was not a riot in the traditional sense with two groups clashing with one another.

Secondly, it is now clear that Bombay is paying the price for the real politics of appeasement, not the appeasement of the minorities as the BJP [Bharatiya Janata Party] would have us believe, but the appeasement of a party such as the Shiv Sena which represents the majority community. Successive Congress(I) Governments in Maharashtra have failed to deal with the Shiv Sena regardless of whether the provocation consisted of outrageously communal statements made in speeches or in writings by its leader, Mr. Bal Thackeray, or open defiance of the law by the Shiv Sainiks. The Congress in this State created this monster and now it is not able to control it.

For prominent citizens in Bombay to suggest seriously that the problem could be solved if the Government has more drastic powers such as those to impose a restricted emergency, is to beg the question. More powers will not inject political will into a Government that has appeared like a directionless, formless mass during the days when Bombay burned.

Thirdly, the incidents of January were not only because a few so-called "lumpen" or criminal elements decided to loot and burn at random. There was a plan behind the madness as it became apparent after the weekend of January 9 and 10 of selective arson.

In some areas like Pratiksha Nagar in Antop Hill, men pretending to represent the Maharashtra Housing Board, conducted surveys of minority households as far back as January 3 and placed markers on their doors. When on January 8, the news about the fire at the Radhabai chawl in Jogeshwari, in which four persons from the majority community were burnt, spread across the city, the excuse to put the plan into action was ready. From January 9 to 11, shops and homes that had been identified were attacked.

What was most disturbing about the recent troubles was the evident acquiescence and collusion of the majority community middle class. These were not unemployed youth with no stake in the system, who were abetting and aiding the looters. In several localities, white collar workers employed in respectable firms were active participants in the violence. There have also been reports about the participation of middle class women from the majority community in the attacks on the minority. In Pratiksha Nagar, women from the neighbouring buildings squatted on the roads and prevented Army trucks from rescuing women and children from the minority community who had sat on the road for two days and nights while their homes were looted and destroyed. When this correspondent asked a woman in the locality

why they had done this, she replied, "We were concerned that the Army only came to look after their security. What about ours? Who will protect us if we are attacked?"

It is such irrational fears of the majority that brought out another aspect of the changes that have been taking place over time. Middle-class people, living in secure areas where their community predominated, were only too willing to believe the wildest of rumours about "them," the minority. From poisoned milk and bread to marauders arriving in boats from the sea to attack them, there was no limit to the wildly imaginative tales that this class of people willingly swallowed.

Despite repeated reports that the police had found only crude country-made weapons in the combing operations in different localities, stories about truckloads of people arriving with AK-47s, continued to circulate. The spreading of such stories was also a planned effort. Groups of people went from one building to another in these localities spreading such tales. In the atmosphere of fear and suspicion that prevailed, most people were only too ready to believe the worst.

It is important to understand why the middle class responded in this manner. For the last five years, communalism has been one of the dominant factors in national politics. In Bombay, this has been reinforced by the Shiv Sena, which moved from its anti-outsider stance of the late Sixties to a pro-Hindu and anti-Muslim position, also around this time. The move was strategic; it allowed the party to widen its base as was evident in its electoral gains.

The combined politics of the BJP and the Shiv Sena found considerable support in several constituencies in Bombay, particularly in the last elections. Further, even if the people did not actually vote for them, they were influenced by their communal rhetoric and arguments because these echoed deeply-held prejudices in most Hindus.

The conflagration in Bombay brought all these prejudices to the fore. The Shiv Sena understood this when it overplayed the Jogeshwari incident, suggesting that this was the beginning of an all-out attack by the minorities on the majority community. A middle class already primed was only too ready to believe this. All over Bombay today you find people who will speak of January 8 as the day on which the present troubles really began and justify the deaths of over 500 people as revenge for the death of four in Jogeshwari.

This support from the people who were expected to be more rational has exacerbated the fears of the minorities. Although many will have no choice but to return to the areas where they lived, it is clear that those who can move into what they deem are "safer" areas, will do so. Thus, after several decades, the process of ghettoisation, which had broken down naturally in the process of

urbanisation, could be reinstituted. People who moved out from the crowded inner city areas could now choose to return there.

There are two hopeful factors that might outlast this period. One is the extent to which the two communities are interdependent because of the nature of the economy in the city. Whether it is the markets, or small enterprises such as bakeries or home-based industries, there are few economic spheres which can survive without the participation of both the communities. This factor, which has become all the more evident after the recent troubles, could help in bringing about at least a temporary truce. For while the Shiv Sena may have targeted only Muslim establishments, they have succeeded in rendering thousands of Hindus, employed in these establishments, jobless and driving out several thousands more from the city.

The second factor is that the two communities have continued to live together peacefully in several areas where "outsiders" have not succeeded in interfering. In most of these cases, the presence of an inter-community peace group, or a community organisation with members of both communities, has helped to ward off confrontation. Such instances could be multiplied.

Angry confrontations, thus, are inevitable scenario for the future in Bombay. The tragedy is that this will lead to a further drain of capital as its reputation as a city where business can be conducted efficiently and without hindrance deteriorates. The result will be a repeat of what happened to Calcutta more than two decades ago.

Analyst Interviews New External Affairs Minister
93AS0616A Madras THE HINDU in English 8 Feb 93
p 8

[Interview with Dinesh Singh, external affairs minister, by K. K. Katyal: "India-Pakistan Relations—'Future in Cooperation'—Dinesh Singh"]

[Text] Mr. Dinesh Singh is not new to External Affairs, having been associated with the subject for nearly eight years in the past—as a Deputy Minister before and after Nehru's death, as a Minister of State and later as a Cabinet rank Minister in the Indira Gandhi Cabinet towards the close of the Seventies. But it is a different world now—no cold war, no power blocs in the old conventional sense—with a new set of opportunities on the one hand and challenges and problems on the other. Certain things, however, have not changed—like the adversarial relations between India and Pakistan. If Pakistan was high on India's agenda in 1969-70, it continues to be so now. With one difference. On the last occasion, the drift led to a conflict and then to a pact—the Shimla Agreement. At present, it is a case of sullen aloofness, and even the working relations have come under heavy pressure, with no prospect of the current slide-down coming to a halt.

The point stands out in the question-answer session of K. K. Katyal with Mr. Dinesh Singh—the first after he took charge of the foreign office. He would like Pakistan to give up the present posture—of aiding terrorist activities in Punjab and Jammu and Kashmir and of projecting itself as the custodian of the interests of the Muslims in India, and instead, turn its attention to economic cooperation.

The drift in the bilateral field had been evident, of late—even before the Ayodhya demolition. The exchange of letters between the two Prime Ministers, Mr. P. V. Narasimha Rao and Mr. Nawaz Sharif indicated the new low the Indo-Pakistan relations had touched.

The five meetings between them in the third capitals in the last 15 months had not succeeded in turning the tide of negative trends. Pakistan's response to Ayodhya and its aftermath made things worse. So much so, the two leaders, perhaps, would not have held bilateral discussions on the occasion of the SAARC [South Asian Association for Regional Cooperation] summit in Dhaka, had it been held and not postponed.

Among the new situations engaging the attention of the new External Affairs Minister are the cordial ties with the U.S., now calling most of the shots in the post-cold war world, even though it may not be unipolar politically. The problems posed by warmth and understanding could be as daunting as those of estrangement. Care has to be taken against misunderstandings, especially when there is no dearth of those working hard to create suspicions. Even otherwise, the gap in the positions of the two countries—trade matters and nuclear non-proliferation—continues to be wide. The important change is that the U.S. no longer sees India through the Pakistani prism. Mr. Dinesh Singh's observations show awareness to the many nuances in the present relationship.

The visits of the foreign dignitaries in a quick succession have tended to give a psychological boost to the Government, especially those handling foreign relations. This much is evident from the replies on the meaning of these trips. The visits of the leaders from the U.K., Russia, Spain—and the forthcoming trip of the German Chancellor, Dr. Helmut Kohl—are significant both in the political as well as economic contexts. The discussions with them fit in with the present-day imperatives—to give an economic content to the foreign policy. Mr. Dinesh Singh had handled commerce and foreign trade as well in the past—both in the Cabinets headed by Indira Gandhi and Rajiv Gandhi and this should stand him in good stead now.

The pressures of contemporary problems, unfortunately, leave little time and energy for both the political and official leadership of the External Affairs Ministry to think of long-term projections. This job particularly suffered because of the absence of a full-fledged Minister for the last ten months, after the resignation of Mr. Madhavsinh Solanki. It should be possible to fill this gap

now. The presence of a Cabinet-rank Minister should also mean a fillip to the dialogues with other governments at the Foreign Minister-level. Mr. Dinesh Singh could be expected to bring to bear the richness of his experience and finesse on the formidable problems, be they in the field of neighbourhood diplomacy, economics, big power relations. Some of the pet theories of the past—relating to the non-aligned movement and G-15 outfit—would need to be adapted on the basis of pragmatism.

Mr. Dinesh Singh's replies to the questions on various aspects of foreign relations are as under:

[Katyal] To begin with the most challenging problem of the neighbourhood diplomacy, where do India and Pakistan stand after the Prime Minister's reply to Mr. Nawaz Sharif's letter and the sequence of events after Dec. 6, 1992? Any chance of resuming the "normal" working relationship which snapped under the stress of recent developments?

[Singh] India wants peaceful, close and cooperative relations with Pakistan. We have undertaken various initiatives towards this end. However, the response from Pakistan has unfortunately not been positive. Pakistan is still harping on the totally untenable two nation theory and that it is responsible for speaking on behalf of the Muslim minority in India. This creates insecurity for some in India and gives encouragement to fundamentalists. If one goes by Pakistan's own treatment of its minorities they have no face to talk of minorities anywhere. So we hope Pakistan will stop playing this game and try to resume the normal working relationship. On our part we are willing to explore every avenue to strengthen our ties with Pakistan.

The real answer lies in economic cooperation between the two countries which will build confidence and create an interest in the development and well being of one another. Both countries face common problems. They can work together to solve them and strengthen their economies to give a better life to their peoples. This is how age-old rivalries and conflicts in Europe were resolved. It is for this purpose ASEAN [Association of South East Asian Nations] nearer home came into existence.

[Katyal] Whether on Kashmir or on nuclear non-proliferation, the gap between the positions of the two countries appears irreconcilable. Does it not make the task of normalisation impossible? Is there any possibility of exploratory moves for reconciling the differences?

[Singh] Pakistan has to stop state sponsored terrorism against India. This will create confidence in which we can resolve our differences over Kashmir by peaceful negotiations provided under the Shimla Agreement. On the non-proliferation issue, Pakistan has to first provide concrete proof that it is not in the nuclear arms race. So far its actions lead to this end. In the circumstances a meaningful dialogue is not easy. But we shall continue to persevere.

[Katyal] At one stage, the progress in regard to confidence-building measures seemed promising, but of late, nothing has been heard of that. Isn't there a case for an initiative by India in this regard?

[Singh] The confidence building measures can come only when Pakistan stops giving active assistance to terrorists in India. We shall respond generously to any overtures by Pakistan because we believe the future of both the countries lies in cooperation not in confrontation.

[Katyal] Still is it not possible to pursue the efforts made in the past?

[Singh] Pakistan has withdrawn from the earlier efforts. It is now placing restrictions on travel to India and wants to decrease the contacts that had been established earlier.

[Katyal] How do you appraise India's ties with Bangladesh on the one hand, and the remaining neighbours, on the other?

[Singh] Bangladesh falls in the same category of having common domestic problems which can be best resolved by economic cooperation. We had just concluded an agreement on Tin Bigha which should give Bangladesh confidence in our desire to accommodate them and work together. They have to stop anti-India propaganda in Bangladesh and create a mood for better relations between the two countries.

[Katyal] How do you see the future of the SAARC—both in the context of the recent developments and the record of tardiness since its inception?

[Singh] The future of South Asia lies in SAARC. The world is changing rapidly. Power is measured in economic terms and less in military terms. The old concept of national sovereignty is being replaced by regional cooperation in larger groupings. SAARC provides the framework in which the countries of South Asia can get together to modernise their thoughts and institutions to be counted as an economic power instead of a quarrelling lot living in poverty. It is unfortunate that the realisation has not come in South Asia yet where governments are squabbling over issues which can best be resolved in wider cooperation. I have no doubt SAARC will emerge as a powerful association of South Asian countries when they get over their obscurantist, communal, casteist and other divisive forces. It will be India's sincere effort to hasten the process of integration in SAARC. One should not judge the future with the present. Dark clouds have silver linings.

[Katyal] But the move to give the SAARC an economic content has not forged ahead. The concept of a South Asia Free Trade Area (SAFTA) does not seem to be taking off.

[Singh] SAFTA is a good beginning. We should all try to bring it about quickly so that economic content could be given to regional cooperation. This is one example of an initiative that could be taken by SAARC.

[Katyal] The contacts between India and China, at various levels, have been encouraging and the border is tension-free even though the boundary dispute is no nearer solution. Any new encouraging development expected in the bilateral field? In the global context, what are the areas in which the two countries could work together—and to what extent? What has been India's response to Mr. Boris Yeltsin's suggestion for increased interaction between India, China and Russia?

[Singh] China-India relations are improving in every aspect. We hope the next Joint Commission meeting will carry it forward more positively. Since China and India are at the same stage of economic development, they can share their experiences. Both countries have large domestic markets and are liberalising their economic regimes. Here again cooperation can be very useful. India welcomes interaction with all countries particularly neighbours. We are working for greater interaction with China and the Russian Federation as well. A trilateral dialogue has not yet been explored.

[Katyal] What is the meaning and significance of the recent VVIP visits—of Mr. John Major and Mr. Yeltsin—and the forthcoming trips of Mr. Felipe Gonzales and Dr. Helmut Kohl?

[Singh] The meaning and significance of the latest VVIP visits will no doubt be assessed by the press. So far as we are concerned it is the expression of the more positive role being played by India in international affairs and the interest in the Prime Minister's policy of new economics for India and India's continuing transparent conduct of its relationships with foreign countries. These visits will lead to closer economic cooperation with India and the countries concerned.

[Katyal] Would you like to elaborate your idea of giving an economic content to the foreign policy, in the context of current constraints, challenges and opportunities? Germany and Japan, the two major economic powers, on whom we counted, are having domestic problems.

[Singh] Foreign policy is only an extension of a country's domestic objectives and requirements. Today our primary need is rapid economic development and trade. The foreign policy must, therefore, be geared to serve this purpose. This is what I had indicated when I talked of economic diplomacy.

Economic affairs are handled by the Ministry of Finance which gets into details. We are concerned with creating a favourable environment for deeper understanding, including on economic matters.

The problems of Germany and Japan and many other countries could be temporary. In the long run there are good prospects of collaboration with those countries, taking into account India's large domestic market and human resources available in the country.

[Katyal] There is a noticeable warmth in India's relations with the U.S. now, partly because of the end of the cold

war and partly because of the conscious moves, initiated earlier. How, in your view, will this process develop? There is the other side of the coin too—the differences on trade matters and issues like nuclear non-proliferation.

[Singh] I am very happy that our relations with the U.S. are good and becoming better all the time. We are now looking at each other bilaterally instead of the third-country factor. Of course, there are differences with the U.S. on trade matters. Such differences also exist between the U.S. and their European partners. They need not mar our general relations.

On the non-proliferation issue we are trying to explain our difficulties. We are, in fact, for general nuclear disarmament. We are pledged to use the atom for peace only and are willing to cooperate with the U.S. and other countries on these issues.

But it is difficult for us to give in to discrimination when many countries in the neighbourhood have nuclear weapon capability. The matter requires understanding and much wider negotiations.

[Katy] Don't you think that the stand taken by the Congress(I) during the Gulf war—may be some statements made by you—would come in the way of understanding with the U.S.?

[Singh] I have made no statement that could come in the way of better relations with the U.S. In fact, I had stated that our priority will be to further strengthen our ties with the U.S.

[Katy] With the major powers agreeing to cut strategic weapons, isn't there a cause for updating our stand on nuclear non-proliferation?

[Singh] We welcome the beginning made in reducing the nuclear weapons. But we stand for complete and general nuclear disarmament. We are ready to discuss this in a global context.

[Katy] There is a widespread perception that India's stature and standing in the world is not the same it used to be in the past. What are the reasons for it and how could the damage be undone? In the immediate context, has the adverse fall-out of Ayodhya on foreign relations been contained—in regard to (1) Gulf countries, (2) Iran, and (3) Western nations? How is the challenge posed by the OIC [Organization of Islamic Conference] proposed to be met?

[Singh] Global relations are undergoing a change. What counts is not words but economic strength. India is catching up in this respect. As you asked earlier, so many VVIP visits have a meaning. India is not left out from the first ranks of the international community.

Undoubtedly there has been some damage to India's image after the Ayodhya incident. But the firm stand by the Prime Minister, Mr. Narasimha Rao, has confirmed that India stands for democracy and secularism where all

citizens enjoy complete equality. Mind you there are hardly few countries which give this privilege in theory and practice to their citizens. It is because of India's firm stand that criticism of India has been muted in Islamic countries, where Pakistan made every effort to discredit us.

[Katy] What about the OIC?

[Singh] The OIC is a religious organisation which takes a communal view. We would like them to understand our position and our secular policy which gives the minorities every protection guaranteed by the Constitution and enforced by law. Aberrations can happen anywhere but we have to take a wider view for understanding and conciliation rather than confrontation.

[Katy] Does not the closure of the Indian mission in Kabul signify the paucity—even elimination—of New Delhi's options in that area?

[Singh] Practically all countries have closed down their missions in Kabul. However India is in close touch with developments in Afghanistan and continues its interest and active role to help in the return of peace and prosperity to the country.

It is for Afghan leaders to begin a process of reconciliation. India will do whatever it can to help without interfering in their domestic affairs.

Commentator Says Rao 'Skating on Thin Ice'

93AS0591A Calcutta THE STATESMAN in English
1 Feb 93 p 7

[Text] New Delhi, Jan. 31—His image sullied, his leadership open to question and the party in a shambles, Mr. P.V. Narasimha Rao no longer looks unassailable. He is skating on thin ice as he wrestles with demons within the party and without.

Consensus has become a dirty word for a man betrayed even as he returned to the Tirumala hills in search of spirituality. The supreme irony of Tirupati is that it was here that Mr. Rao, displaying shades of the Nehru-Gandhi dynasty, was strong enough to upturn even a democratic verdict within the party.

It was a far different Mr. Rao who faced a resurgent Congress(I) Working Committee that all but forced him to first ban the RSS [Rashtriya Swayamsevak Sangh] and other organizations and thereafter virtually presented him with a fait accompli leading to the reluctant dismissal of the BJP [Bharatiya Janata Party] Governments.

From the unquestionable leadership of Mr. Rao at the beginning of the year, the Congress(I) has seen the rise of at least one leader visibly and another unobtrusively lurking ever more powerful in the shadows. Even as Mr. Rao struggles to reassert his leadership, the pale contours of an alternate leadership in the form of Mr. Arjun Singh and Mr. Sharad Pawar are once again visible.

And while the power game is joined by Mr. Rao, the Congress(I) which had a fleeting moment of glory in the sunshine of the Tirupati session is now gasping for breath. The spectre of even Assembly elections, particularly in Uttar Pradesh, is enough to make Congressmen run for cover; some of them are now demanding a new PCC(I) [Pradesh Congress Committee] leader while some of the more agitated ones have called for Mr. Rao's head.

While the north, according to some observers, was deliberately put on hold for purely selfish reasons of survival, the ground is slipping from beneath Mr. Rao's feet even in the south. The surgery effected in Andhra Pradesh and Karnataka was painful, both for the deposed Chief Ministers and Mr. Rao himself. Perhaps the most ominous signs came in the immediate aftermath of Ayodhya when, while the majority of the southern M.P.s threw themselves behind his leadership, there were some disgruntled elements linking up with one of the alternate leaders.

Dissent, then, is the key in the Congress(I) now far removed from the consensus theme.

Supreme Court Refers Rao Land Deal to Tribunal

93AS0588A Calcutta THE TELEGRAPH in English
3 Feb 93 p 4

[Text] New Delhi, Feb. 2 (PTI): The Supreme Court today referred the case pertaining to the sale of 200 acres of land by the Prime Minister, Mr. P.V. Narasimha Rao, and his three sons at Vengara village in Andhra Pradesh in 1975, to the Land Reforms Appellate Tribunal for fresh hearing and laid down a timeframe for early disposal of the controversial case.

Allowing a special leave petition of the Andhra Pradesh government, a two-judge bench of the apex court set aside the judgments of the Andhra Pradesh High Court and the appellate tribunal refusing to condone two days' delay in preferring an appeal against the Karimnagar Land Reforms Tribunal which had upheld the land sale as "true and genuine."

The bench, comprising Justice Kuldeep Singh and Justice S. Mohan, also condoned the 59-day delay in filing the special leave petition in 1985 against the Andhra Pradesh High Court's judgment of November 5, 1984.

Mr. P.V. Narasimha Rao, then AICC(I) [All India Congress Committee] general secretary, had filed separate declarations before the Land Reforms Tribunal stating that he had sold 200 acres of land which was otherwise liable to be surrendered to the state under the Andhra Pradesh Agricultural Land Ceiling Act.

The tribunal, in its order dated September 5, 1981, declared the sales made by Mr. Narasimha Rao and his sons, Mr. P.V. Ranga Rao, Mr. P.V. Rajeshwar Rao and Mr. P.V. Ranga Rao, as genuine and said the land could

not be included in Mr. Rao's joint family holding for the purpose of calculating the excess land to be surrendered to the state.

Laying down a strict timeframe, the apex court today said the appellate tribunal shall finally decide the matter by June 30 and directed the parties to approach the tribunal before March 3.

In its brief order, the court said the appellate tribunal will give opportunity to the parties to file fresh evidence, if they so desired.

The court also "requested" the Andhra Pradesh High Court to decide on the revision petition, if filed by any of the parties in the case, within three months.

After hearing detailed arguments of the counsel representing Mr. Rao and the state of Andhra Pradesh in a packed courtroom, the judges said they were of the view that the appellate tribunal was not justified in condoning two day's delay in filing the appeal.

"The appellate tribunal did not properly appreciate the ground taken by the authorised officer of the state in his affidavit for condonation of delay," the two judges said.

Regarding its January 28 order for submission of all original records of the case, the court recorded the authorised officer's statement that the concerned file was not traceable till October 28, 1981.

Mr. Rao's land measuring 200 acres, is situated at Vengara village of Huzurabad taluka in Karimnagar district of Andhra Pradesh. The notification of the Andhra Pradesh Agricultural Land Ceiling Act became effective on April 1, 1975, which provided for surrender of surplus land beyond a certain limit to the state government.

During the course of arguments, while the counsel for Andhra Pradesh state, Mr. T.V.S.N. Chari, contended that the sales by Mr. Rao were by way of unregistered agreements and could not be excluded from the joint family holding, Mr. Rao's counsel, Mr. K. Parasaran, argued that the special leave petition was liable to be rejected on the ground of 59 days delay.

Justice S. Mohan observed that the unregistered sale deed could be nothing more than "agreement to sell" under the Transfer of Property Act.

The judges said as the Land Reforms Tribunal had no basis or material to declare the sale as valid and the whole case ought to be reconsidered by the appellate tribunal.

Mr. Parasaran, also counsel for Uttar Pradesh, in the contempt cases on the Ayodhya issue in the apex court, said it was a "usual practice" in the Telengana area to make sale transactions through unregistered sale deeds.

Mr. Parasaran contended that the Andhra Pradesh government had, in a clarification regarding the Agricultural

Land Ceiling Act, declared that the unregistered sale deeds could be registered at a subsequent time on payment of stamp duty.

This being so, the land could not be included in the holding of Mr. Rao for the purpose of surrender to the state, Mr. Parasaran said. The sellers were in possession of the land for at least 20 years and could exercise their right to sell it, he added. Mr. Parasaran argued that the courts below had held that the transaction was "sale of land" and not "agreement to sell."

The Land Reforms Tribunal had initially declared 11,25544 standard holdings (SH) an 11,2555 SH held by his three sons, respectively, as excess and said it should be surrendered.

The tribunal, 1981, clubbed the excess holding, declaring that it belonged to Mr. Rao's joint family, and allowed its exclusion. The Order was later confirmed by the High Court.

In its appeal, the state government sought the stay of the operation of the orders of the High Court and the tribunal.

Papers Report on Rao Speeches, Interview

WORLD-LINK Interview

93AS0590A Bombay THE TIMES OF INDIA
in English 6 Feb 93 p 19

[Italicized words as published]

[Text] New Delhi, Feb. 5 (UNI). The Prime Minister, Mr. P.V. Narasimha Rao, has asserted that India would recover fully from the temporary set-back caused by the Ayodhya events and regain investors' confidence.

"We shall overcome", he declared in an interview to *World-link*, the magazine of the World Economic Forum, in which he explained the impact of the Ayodhya events and India's economic position.

Mr. Rao was also confident that the present economic difficulties faced by India, with the economy witnessing a slowdown, were only a temporary phase and not likely to persist.

He pointed out that foreign trade would be a major constituent of growth in the Indian economy in future. Bringing down the inflation rate to manageable levels, raising exports and revival of industrial production were among the government's most immediate concerns on the economic front, he added.

Mr. Rao said it was extremely unfortunate that the Ayodhya events happened at a time when the confidence of the international business community in India was building up. "There is bound to be a setback, but I am confident that it will only be a temporary one", he said. Measures taken by the government would help restore

peace, which, in turn would restore investors' confidence, the Prime Minister said.

"I also do not entertain any doubt about the reform process or the stability of the government. Law and order have been restored effectively and quickly", he told the magazine, which has carried the interview in its latest issue.

He said the Ayodhya crisis had put into sharp focus the need for secular forces to get together and combat communal elements. "I am confident that the secular forces will emerge stronger from this crisis," he said.

Mr. Rao said no reform process could be undertaken without an initial period of difficulties. He said an improvement could be now seen in the functioning of the economy as a direct result of the reforms.

Inflation has been controlled to a considerable extent and foreign exchange reserves are comfortable to enable essential imports to speed up industrial growth as well as ensure food security, he said.

The Prime Minister, noted that the kharif crop had been good and the rabi prospects were very bright.

Mr. Rao also cited the encouraging figures of industrial production and said the medium-term prospects gave him cause for optimism that India would experience rapid increases in its GDP [Gross Domestic Product] growth rates from the next year.

Mr. Rao said there was no choice but to ensure strict fiscal discipline to bring down inflation as well as to tackle the balance of payments deficit. He said while government expenditure did affect industrial demand to a certain extent, supply factors were equally important in determining the growth of the economy.

He said the slowdown in the economy in 1991-92 was largely due to poor agricultural production during the year. Industrial production was also affected by the BOP [balance of payments] crisis and the import squeeze, he pointed out.

Mr. Rao expected that government plan expenditure would be considerably augmented in the coming years through the generation of greater revenue resources as well as external assistance and foreign investment.

Asked about the possibility of foreign trade becoming an engine of growth for India, Mr. Rao said the country today realised that there were great advantages for it through increased globalisation and rapid exports of goods and services.

Rally in Uttar Pradesh

93AS0590B Madras THE HINDU in English 3 Feb 93
p 1

[Text] MAU (Eastern U.P.), Feb. 2. The Prime Minister, Mr. P.V. Narasimha Rao, today rejected the Bharatiya Janata Party's [BJP] demand for mid-term elections,

and, instead, proposed a three or four-year moratorium on all disputes which threatened communal peace and harmony. This would facilitate rapid economic progress and development in the country.

Addressing a largely attended public rally here—the largest in the North after the December 6 Ayodhya incidents—he called upon the people to stay together and not be carried away by misleading propaganda and rumours and thus defeat the design of the divisive forces, which were once again active.

These forces, and the BJP in particular, he said, were trying to divide the people on communal lines in order to capture power.

The BJP would try to mislead the people again and had all along been monopolising Lord Rama. "Do we not have faith in Lord Rama?" he asked, adding that he belonged to a State where Lord Rama spent 14 years of his exile.

Mr. Rao affirmed that the Ayodhya issue had been referred to the Supreme Court and no one would be allowed to interfere. When the Supreme Court pronounces its verdict, the Government would implement the decisions.

Rejecting the BJP demand for an early poll, he said, "Let there be no doubt in the minds of the people that the Congress(I) Government will run its full five-year term." It would stay in office for the remaining three and a half years.

Fight divisive forces: Pointing out that the country needed a solution to the economic problems, he said there could be no progress or prosperity without peace and order. He appealed to the people to fight the divisive forces, maintain peace and order by staying united, and thus concentrate on economic development, as wealth had to be generated and created. "There is no short-cut to that."

Describing how disturbed conditions affected the march towards progress, Mr. Rao said that those people who might be interested in investing here or starting new industries might hesitate now. He said that foreigners were interested in investing in this country and in fact had even today met a group of people who were eager to invest.

Drawing the people's attention to the widespread carnage in Bombay, he said, that this was the handiwork of certain people with a vested interest. It was started by the land mafia which wanted to evict jhuggi dwellers so that they could exploit the land.

Attacking the BJP and other opposition parties, Mr. Rao described the 18-month rule of non-Congress parties as an eclipse. The situation has, however, improved now and economy begun to look up. The march towards progress and prosperity has to be carried out in order to fight poverty.

In his opening remarks the Prime Minister, quite impressed by the massive turn-out, said that some kind of a miracle was happening. The Congress(I) had once again started gaining ground.

Mr. Rao also promised all help to bring about development of the backward eastern region of U.P.[Uttar Pradesh]

Speech to Senior Officials

93AS0590C Madras THE HINDU in English 31 Jan 93
p 1

[Text] New Delhi, Jan. 30. The Prime Minister, Mr. P.V. Narasimha Rao, has called for hard decisions in all spheres to get the country back on the path of development and urged the administration to prepare the nation to face the hardships.

In the first ever face-to-face with all Central senior bureaucrats in the rank of Joint-Secretary and above here today, the Prime Minister dwelt at length on the challenges in the wake of the Ayodhya developments and underlined the need to uphold the secular character of the country.

The exercise which coincided with Martyrs Day, on the lawns of the Prime Minister's house, is seen as an endeavour to pep up the upper echelons of the bureaucracy and infuse confidence in them on the Government's determination to both take on the challenge from a variety of forces and pursue the economic reforms agenda with greater vigour.

Setting the tone for the unprecedented interaction, the Cabinet Secretary, Mr. S. Rajagopal, explained the pressure under which the administration was working, on the law and order and development fronts. Mr. Rajagopal said that in a democracy the civil servant should be responsible to people's needs and ensure that their grievances were effectively met.

Confidence Shaken

In the course of his 40 minute speech, Mr. Rao said the developments in the last few weeks had shaken the people's confidence and raised serious questions on the very survival of the country in one piece. The visits by the British Prime Minister, Mr. John Major, and the Russian President, Mr. Boris Yeltsin, had restored some confidence.

"The two visits that we had during the last few days, one after the another, have given us some confidence that after a good deal of adverse publicity, reaction, suspicion, misgivings, we are back in the reckoning or we are going to be again back in the reckoning," the Prime Minister told the bureaucrats.

Mr. Rao maintained that there were quite a few in the country who believed that the country was facing a situation it had never faced since independence. Though the country had faced disturbances in the past, there was

a basic difference in the present situation, he said. It concerned the very survival of the country and at stake was the unity in diversity which characterised the nation. "Is that common base getting eroded—that common base of a common culture, common civilisation, common thinking, common perspective. Is that getting eroded?"

An Aberration

Mr. Rao sought to allay doubts about the unity and stability of the country and said the developments in the last two months were but an aberration. Indian society during its five thousand years of history had accommodated diverse thoughts and ideas.

Mental walls were sought to be created among various sections, he said and urged the administrators to overcome these walls which tended to divide people on lines of caste or creed. Mr. Rao asked them to introspect on the manner in which decisions were taken and ensure that such walls did not cast their shadows on decision making.

Mr. Rao narrated an interesting experience of the '40s relating to the Nizam's State to substantiate his point. Every building in Hyderabad then had very high compound walls, 10 to 20 feet high. When Mirza Ismail became Prime Minister of the State he ensured that they were brought down to a uniform height of three feet as part of the beautification plans of the city.

"He was there for exactly 43 months. He was tolerated for 43 months. After that he was sent back. And can you believe it, within six months the walls went back to the original heights, in fact a little more than the original heights. So, we were back to square one. We have to grow higher than walls," the Prime Minister said.

He spoke of the growing disparities in the society and stressed on the need to end the hypocrisy of those who preached socialism and practised capitalism. "We talked of socialism for 40 years. And we have many friends, very convinced socialists, in socialist splendour, millionaire socialism, great champions of socialism." Mr. Rao said the disparity between slogans and reality should end.

Reforms Will Continue

The Prime Minister took the opportunity to reiterate the Government's resolve to go ahead with economic reforms. "We believe today India's economy has to be integrated with the world economy. There is no need of dithering on it. Take a decision and go ahead. So, the channels of administration have to get themselves ready for it."

Pointing out to the importance of feedback from the people to the administrators and to the political leadership, he said there should be a mechanism for free flow of ideas and suggestions for better governance. The Prime Minister said he would welcome ideas from all

levels of administration and indicated the need for greater interaction with various levels of administration.

Speech to Hyderabad Congressmen

93AS0590D Bombay THE TIMES OF INDIA
in English 23 Jan 93 p 9

[Text] Hyderabad, Jan 22. The Prime Minister, Mr. P.V. Narasimha Rao, today said the unity and integrity of the country will be protected at all costs despite attempts to the contrary by disruptive forces and urged his partymen to spread the message of national unity, report PTI and UNI.

"We have overcome all difficulties and it (unity and integrity) will never break", said Mr. Rao while speaking at a meeting of Congress MPs, legislators and functionaries. He also inaugurated a "sathavadhanam", a literary event, on the last day of his three-day visit to Andhra Pradesh.

In his address to Congressmen, he urged them to strive for implementation of developmental programmes without being distracted by forces of disruption.

Accusing the Bharatiya Janata Party [BJP] of trying to create a communal divide to garner votes, instead of going to the people with programmes, Mr. Rao said the BJP which has now taken up the issue of Bangladeshi refugees was "trying to divide the people."

Urging the partymen to spread the message of the unity and integrity of the country, the Prime Minister said eradication of poverty and economic disparity was vital for national integration.

Mr. Rao said "mandir-masjid" was not the Congress party's "plank and programme".

"Our programme is not to construct temples", he said and cautioned the partymen not to get distracted by such issues and stray from the chosen goal of the party.

Mr. Rao said his government was trying to solve all national issues through a spirit of consensus.

Without naming the BJP, he criticised the party for derailing the process of reaching an amicable settlement on the Ayodhya issue.

He also criticised the BJP for raking up the issue of Bangladesh refugees suddenly and launching an agitation on the same. They would like to make it a Hindu-Muslim issue again and turn the Hindus into fanatics, he added.

He said as long as social imbalances remained in the country, real integration would not be achieved. Such disparities were being removed through reservations, he added.

Mr. Rao said for the first time during the eighth plan, Rs 30,000 crores was earmarked for rural development and called upon the MLAs [Member of Legislative

Assembly], MP [Member of Parliament] and other partymen to ensure that the programmes meant for the benefit of the rural and downtrodden people reached them.

He said all programmes were meant to unite and remove imbalances. He criticised some political parties, saying that they were not showing interest in rural development and had also unwillingly passed the panchayat raj amendment bill.

"I don't understand what these parties are and what their vision is", he added.

He also wanted monitoring of the programmes so that any shortcomings if found could be rectified immediately.

The Prime Minister recalled the role of India's first home minister, the late Sardar Patel, in ensuring the merger of 520 princely units and states with the Indian Union. India with its rich heritage has the greatest quality of assimilating the different religions, race and culture. Some countries, facing the problem to absorb different race and culture, looked to India for advice, he disclosed.

Though India was passing through difficult times, it will overcome the difficulties as in the past, he said.

Speeches at Andhra Pradesh Ceremonies

93AS0590E Madras THE HINDU in English 22 Jan 93
p 4

[Quotation marks, boldface words as published]

[Excerpts] Nandyal (A.P.), Jan. 21. The country is back on the rails of development and progress after the two months of traumatic and troublous times," the Prime Minister, Mr. Narasimha Rao, said today. He spoke after laying the foundation for an agricultural college building at Mahanandi near here.

Mr. Rao said when he took the reins, he had declared that the agenda before the country was poverty eradication and development of backward areas. People accepted the agenda and the country was marching forward without impediment. But unfortunately the BJP [Bharatiya Janata Party] revived an issue which had been lying unresolved for ages and whipped up emotions and created traumatic conditions. This in turn made people here even abroad, wonder whether India would remain as one country.

"By God's grace, the 5,000-year-old culture which had kept the people united had asserted itself and the country had overcome the crisis and was back on the rails of development and progress," the Prime Minister said.

Mr. Rao said the BJP had raked up the issue at a time when it was about to be referred to the Supreme Court. As the issue has now been referred to the Apex Court he would not elaborate.

'Landmark visit': The Prime Minister said the nation should hasten its efforts for progress and development. Otherwise, it would be caught in the morass of "cost overruns and time overruns." He said he regarded his visit to Nandyal "not as a mere visit to my home constituency, but as a landmark which signifies that the country is back on the rails of development and progress, in view of the projects which I am given the privilege to inaugurate."

He said countries smaller than India had progressed fast. There was no reason for India to lag behind. Development would not come automatically. There should be a conscious and sustained effort. [passage omitted]

Gauge conversion: Inaugurating the Guntur-Guntakkal gauge conversion work the Prime Minister invited private participation in the conversion schemes. He said when the issue of giving priority to electrification or gauge conversion came up different opinions prevailed in the Railway Ministry. He opted for massive gauge conversion as it was the only way to pull areas out of their backwardness. He said the Railways had a challenging job of converting 6,000 kms of track but expressed confidence that the Ministry would be able to adhere to the schedule.

Mr. Rao called upon the people to forget the controversies facing the country at least for some time. The country had two options before it. One was to go ahead with the single point programme of taking the nation on the path of progress and the other was to succumb to the forces of destruction.

The gauge conversion would provide employment for at least 10,000 people. He said the railway station would also be renovated and better amenities provided. The issue of reopening of the Nandyal sugar factory would also be looked into, he added. [passage omitted]

Nandyal Press Conference

93AS0590F Madras THE HINDU in English 22 Jan 93
p 1

[Italicized words as published]

[Text] Nandyal, Jan. 21. The Prime Minister, Mr. P.V. Narasimha Rao, today said "though there was some temporary setback in the rate of flow of foreign investment into India during the past one or two months, the flow has started again." The availability of foreign exchange has improved.

Addressing a press conference here he said "there was no disinclination or reversal of the flow of capital. They (foreign investors) wanted to find out whether the violence (following the demolition at Ayodhya) was a temporary aberration and were adopting an attitude of wait and see".

The Prime Minister said "We are convinced that the ups and downs have not affected our relationship and there are no misgivings." He said foreign dignitaries who met

him in recent weeks had told him that they were ready for the tie-ups in investment.

When a reporter referred to the rise in prices, Mr. Narasimha Rao said his Government had been able to hold the priceline. The rate of inflation which was in double digits, 16.9 in 1991 had now come down to around eight per cent. It would take some more time for this reduction to be felt by the consumers. He said the fluctuations were not much. The whole economy has to be pruned and this process was on.

The Prime Minister pointed out that while on the one hand consumers were complaining of increase in prices, the farmers were disappointed they were not getting adequate prices for their produce. Apart from the prices fixed by the Commodities Prices Commission, the farmers were demanding some bonus to be paid. "In such a situation there was bound to be some discontent."

Asked whether there would be privatisation of Railways, the Prime Minister said if investment was forthcoming, the Government could expand and convert metre gauge into broad gauge for greater distances. Now the conversion was planned for 6,000 km and if funds were forthcoming the conversion could go up to 10,000 km.

He pointed out that complete reliance on public sector and Government for development would not be good. Many public sector units were on the red.

A reporter referred to the view held by Rajiv Gandhi that out of development funds only 20 per cent went to the people and the rest utilised for overheads and some went in the drain. The Prime Minister said the passage of the Panchayats Bill in Parliament was to finance directly the panchayats for local development. When this becomes a *fait accompli* the leakage could be plugged. Rajiv Gandhi had several ideas on this matter and the Panchayats Bill was only one of them.

UNI reports:

Mr. Narasimha Rao categorically ruled out action against any of his Ministers in his Cabinet merely on the basis of some campaigns. There is no evidence against any Minister, he angrily retorted.

Asked about the prima facie evidence against some of his Cabinet Ministers as alleged by the Opposition, Mr. Rao shot back "Where is the evidence. Evidence against which Minister?"

Rao Urged To Give Up Party Presidency

93AS0619A Bombay THE SUNDAY TIMES OF INDIA in English 7 Feb 93 pp 1, 20

[Article by Subhash Kirpekar and agencies: "Give Up Party Post, PM Urged"]

[Text] New Delhi, Feb. 6. Seven AICC [All India Congress Committee] members led by Mr. K. N. Singh today pleaded with Mr. P. V. Narasimha Rao to give up the

party president's post in keeping with the norm of one man-one post as his responsibilities as Prime Minister were "very preoccupying."

Mr. B. P. Maurya, who briefed journalists, said: "Mr. Rao is a thorough gentleman, an experienced administrator and a scholarly person and we have full faith in his leadership."

"We hope that he would step down as party president and announce this at the working committee meeting on Monday," Mr. Maurya said.

The meeting at the residence of Mr. K. N. Singh which was attended by Mr. Natwar Singh, Mr. P. Shiv Shankar, Ms. Sheila Dikshit and two other AICC members, also demanded that the chief ministers and the legislature party leaders should not attend the working committee meeting.

Asked to comment on the welfare minister, Mr. Sitaram Kesri's statement that the Congress had always one leader, Mr. Maurya said, "You know how seriously Mr. Kesri is taken in Indian politics."

Meanwhile, sources said that Mr. N. D. Tiwari, a member of the Congress Working Committee, has made efforts to persuade Mr. Arjun Singh not to create the impression that he is against the Prime Minister.

With two days left for the CWC [Congress Working Committee] to meet, the dissident group was making efforts to scuttle the bid by the Maharashtra chief minister, Mr. Sudhakar Rao Naik, to call a meeting of all Congress chief ministers with a view to expressing solidarity on the issue of the "one man-one post" being made inapplicable in the case of Mr. Narasimha Rao. Feelers were sent out to Mr. Naik today by this group which met at the residence of Mr. K. N. Singh, former AICC general secretary.

The dissident group said that only three chief ministers—Mr. Karunakaran of Kerala, Mr. Vijay Bhaskar Reddy of Andhra Pradesh and Mr. Beant Singh of Punjab—were members of the CWC. The other chief ministers would be attending as invitees. Mr. Maurya said that since they were nominees of the Prime Minister, they could only be expected to shower praise on Mr. Rao. "What we want is guidance from the CWC to face the challenge posed by communal forces," he said.

A veiled threat held out by a member of this dissident group was that if Mr. Naik did not agree to their request to refrain from mobilising support for Mr. Rao from the chief ministers, they could also voice the demand for his ouster.

The dissidents are planning to send out a circular to all CWC members demanding not only the resignation of Mr. Rao as party president but also convening a session of the AICC early. As things stand, the AICC sessions is scheduled to be held in March. Mr. Maurya disagreed with Mr. A. R. Antulay's view that Mr. Rao could

appoint a working president or a vice-president as there was no such provision in the party constitution.

As far as the CWC meeting on Monday is concerned, party leaders kept their fingers crossed that Mr. Arjun Singh would not precipitate a crisis and would attend the meeting. He had proceeded to Calcutta and it could not be ascertained from him directly about his plans regarding the CWC meeting.

The CWC meetings in the past have generally steered clear of controversies raised from within and differences have been sorted out in behind-the-scene parleys.

It is on the cards that while discussing the political situation, the CWC will consider how to cope with the BJP's [Bharatiya Janata Party] February 25 rally in the capital. Since the BJP leadership has declared that it will force a mid-term poll, the CWC is likely to suggest guidelines to ensure at all costs that the rally is peaceful.

Rao Answers Questions on BBC Phone-In Program

Summary of Program

93AS0618A Madras THE HINDU in English 8 Feb 93
p 1

[Text] New Delhi, Feb. 7—The Prime Minister, Mr. P.V. Narasimha Rao, today said a mosque and a temple would be rebuilt at Ayodhya, without committing himself to a time-frame and location, and firmly told Pakistan to cease support to secessionism and terrorism before bilateral problems could be tackled under the Shimla accord.

Participating in an hour-long "phone-in" interview by the BBC, Mr. Rao said the Government was in the process of setting up two trusts for the construction of the temple and the mosque.

The security aspect of the two proposed structures would be fully taken care of, he told the questioner from Sharjah who wanted to know what steps the Indian Government had taken to rebuild the Babri Masjid at the same site and whether security would now be ensured at the site.

"We have promised that the dismantled structure would be rebuilt. The proposed trusts for the purpose will have to choose the site and finalise the modalities," Mr. Rao said and blamed the then BJP [Bharatiya Janata Party] Government in U.P. [Uttar Pradesh] for not heeding the Centre's advice to use force to prevent the December 6 incident.

Asked whether the announcement to rebuild the mosque was made as a part of a well-defined plan, he said he felt it was necessary to make that announcement and it was his duty to do so.

Democratic Process in Kashmir

Mr. Rao emphasised that the democratic process would start in Kashmir, as was "successfully" done in Punjab once the Government was able to control terrorist activities in the valley.

Asked to comment on the accusations by Amnesty International and other organisations that there was enough evidence of suppression of human rights and atrocities in Kashmir, the Prime Minister said, "It is better not to employ these words." "Kashmir is part of India. The Kashmiris want to remain with India," he said.

Making Up for Lost Time

Mr. Rao admitted that there had been a slowdown in the economic reform process during the last two months as attention was diverted to internal peace. However, "now we have gone back to the economic agenda and we are making up for the lost time with vigour and speed," he said.

Corruption Eliminated

Mr. Rao claimed that the liberalisation process had eliminated corruption and said the Government was willing to remove all obstacles to attract more investments particularly from non-resident Indians.

The hour-long programme "It's Your World," which will also feature interviews with top leaders of Bangladesh, Pakistan and Sri Lanka, attracted questioners from the U.S., India, Pakistan, Norway, the U.A.E., Australia and France.

Pak. Funding Terrorists

He blamed Pakistan for "funding, fuelling and training terrorists" and sending them to Punjab and Kashmir. "This has become a very difficult problem for us to face. We have been assured of improvement of the situation on the ground. But exactly the opposite had happened. The real problem was Pakistan's encouragement to secessionist activities. There has to be cessation of these activities."

Ties With China

On relations with China, he said these were good and improving. There was inter-change at every level in cultural and educational fields and talks were being held both at political and official levels.

SAARC Meeting

He supported a suggestion to hold the SAARC [South Asian Association for Regional Cooperation] meeting once in two years instead of meeting every year, which, he felt, was becoming "rather difficult."

Instead of the existing "structured meeting" once a year, the leaders of SAARC countries should meet anytime in one of the SAARC capitals.

Rejects South Asian-Summit

Mr. Rao rejected the proposal for a five-nation summit to resolve the nuclear issue in South Asia, saying that the matter when discussed between India and Pakistan "will lead nowhere."

India refused to sign the nuclear Non-Proliferation Treaty [NPT] which was going to be reviewed (in 1995). The NPT should become applicable to all. The problem was global in nature.

Replying to another question, Mr. Rao said India stood for the expansion of the U.N. Security Council since it had remained "more or less static."

India, he said, would like the Security Council to be more effective. All countries must support the Council in difficult tasks ahead.

For Sri Lanka's Unity

Asked why India was not supporting the struggle for self-determination by the Tamils in Sri Lanka, the Prime Minister reiterated India's policy that the island nation should remain united.—PTI

More Details Given

93AS0618B Calcutta *THE TELEGRAPH* in English
8 Feb 93 p 4

[Text] New Delhi, Feb. 7—The Prime Minister, Mr P.V. Narasimha Rao, has yet again defended his government's role on December 6 and said it did everything "constitutionally possible" to prevent the demolition of the Babri Masjid.

Answering a questioner from Bombay during an hour-long BBC phone-in programme which went live globally, Mr Rao said, "We have a federal constitution and we did all we could under it. The state government kept dodging us every minute. Our forces had to return because the magistrates told them that they had no order to use force from the chief minister."

The Prime Minister said the Centre was constantly monitoring the situation and was ready to take action. "Even when the demolition started we kept goading and persuading the Kalyan Singh government to use the 10,000 to 12,000 men available to it, but it didn't do anything," he said.

Mr Narasimha Rao answered a wide range of questions from the state of child education and population control measures to the economic reforms and Sri Lankan Tamil problem, but was seldom taxed or discomfited by questioners who came from as far apart as South Carolina in the U.S. to Melbourne in Australia, with a rather monotonously concerned Sindhi gentleman from Djibouti also pitching in.

The Ayodhya issue and the communal situation in the country accounted for the largest number of questions. The Prime Minister had a stock reply for all: "We have

set up two trusts and the preliminary exercises have begun. Obviously when the two structures are built, the security aspect will be fully taken care of. In fact, the security will be ensured by the two trusts," the Prime Minister said.

Mr Rao evaded a specific question on his government's announcement that the mosque will be rebuilt at the same site and repeated, "We have made two trusts for the purpose and the dismantled structure will be rebuilt."

Several questions came from NRIs [Nonresident Indian] on the economic liberalisation and the safety of their possible investments in India. The Prime Minister assured them of the irreversibility of the reform programme and said, "We are prepared to remove all hurdles. As it is the process has been simplified and people no longer have to go through tedious form-filling." He also allayed apprehensions about the impact of the recent disturbances on the economic reform programme.

In response to another question on corruption in the country, Mr Rao told a potential NRI investor from Djibouti, "I think you are not very well informed. There is no question of corruption. The questioner will do well to have his facts checked." At this point, the phone-in moderator, Ms Sheena McDonald, summed up the disbelief at the Prime Minister's claim, particularly in view of the securities scam, by saying, "Well, obviously there is a barrier of perceptions here."

The Prime Minister reiterated the government's well-known stand on Kashmir, the nuclear issue and on Indo-Pakistan relations, which he admitted were not ideal.

He sounded more hopeful on the Sino-Indian front, though, and said relations have improved on every field.

Renowned American Indophile and social scientist, Mr Myron Weiner, called in from Cambridge (Massachusetts) to ask about India's child education programme. In response to his question on what India was doing to universalise primary education, Mr Rao said, "Primary education in India is already universal though not in the compulsory sense."

Advani's Visit to Bihar Makes Good Impression

93AS0606B Bangalore *DECCAN HERALD* in English
14 Feb 93 p 8

[Article by Ravi R. Sinha in Patna: "Advani's Visit to Bihar Makes a Good Impact on the People"]

[Text] During his three-day visit to Bihar which concluded on February 8, Bharatiya Janata Party [BJP] leader L.K. Advani seemed to be launching an election campaign.

In his speeches at different parts of Bihar, Mr. Advani also made clear what his party's plank would be if mid-term polls were indeed announced as sought by the BJP.

The way he spelt it out, Mr. Advani gave the impression that the BJP strategy for Bihar would be to strengthen its base in the plateau region, replace the Congress in the Maithili-speaking region of north Bihar and create a dent in the Janata Dal's constituency comprising the rural populace and the weaker sections of society.

Mr. Advani's itinerary had been prepared with extreme care so that it made it possible for him, to touch places like Ranchi and Hazaribagh in Chhotanagpur, Gaya and Patna in central Bihar and Darbhanga and Muzaffarpur in north Bihar—all strategic points for the party.

Reports reaching Patna said Mr. Advani could not draw large crowds at Ranchi and Hazaribagh, two places in the plateau where the party already has a dependable base. However, his meetings in Darbhanga and Muzaffarpur, both traditional bastions of the Congress and the Janata Dal, drew huge crowds.

At Ranchi, the BJP leader reiterated his party's support for a separate Vananchal State and alleged that successive Governments in Patna had ignored the region as well as the interests of the Adivasi population of the area. Besides, Mr. Advani said, smaller States were easier to administer.

While saying so, Mr. Advani was obviously conscious that the Ayodhya factor would not have much impact on the people of the area and that a call for a separate political and administrative identity to the region would appeal more to the people.

This is especially because most of the Jharkhand groups are in disarray at present.

At Darbhanga, the centre of the Maithili-speaking belt, he not only talked of Lord Rama's links with Mithila and the birthplace of Sita, but also of the rich cultural and literary heritage of the place.

This must have been sweet music for the ears of the people of the area who had been agitating against the Janata Dal Government's decision to remove Maithili from the list of optional subjects for the Bihar Public Service Commission examinations.

The Darbhanga meeting was a big success and it has enthused the State BJP leadership. This region had not returned a single BJP candidate either to the Lok Sabha or to the State Assembly during the last elections.

Mr. Advani's visit to the place to such a welcome would, therefore, be a cause of concern for both the ruling Janata Dal and the main Opposition party, the Congress(I).

The Muzaffarpur meeting, a fairly big show by all standards, has sent similar signals to these two parties.

Places around Muzaffarpur—districts like Sitamarhi, Samastipur and Vaishali—have so far witnessed fierce electoral battles only between the Congress and the Janata Dal or its predecessor the Lok Dal.

The Jana Sangh, or its present incarnation the BJP, had never been able to make its presence felt in this area. According to political observers, such a response to Mr. Advani's visit could be ascribed to the "*Gaon ki ore*" (Towards the Villages) campaign launched by the BJP about a month ago.

In any case, the BJP's bid to secure a foothold for itself in Muzaffarpur, always considered the epicentre of political activities north of the Ganga, is bound to set Mr. Laloo Prasad Yadav searching for new strategies to counter this move.

Curiously, the Bihar Congress(I) does not appear to have viewed Mr. Advani's visit to the State as a part of a rival political organisation's move to dislodge it from its main support base.

Congress leaders like Dr. Jagannath Mishra appear to think that people had gathered at Mr. Advani's meetings to express their ire over the "misrule" of the Janata Dal.

Dr. Mishra does not think that there has been any erosion in his party's area of influence following Mr. Advani's visit to Bihar.

The Dal leadership, on the other hand, was showing signs of anxiety from the very day Mr. Advani's programme in Bihar was known.

Some over-enthusiastic Dal leaders had planned to stage demonstrations against him at Gaya and had hoped that the Left parties of the extreme fringe which are active in the area would support them.

In Patna, the turnout was much more than what the BJP State leadership had expected.

People compared the gathering with the one that had come to the Gandhi Maidan to listen to Mrs. Indira Gandhi after the Bangladesh war or the Sadbhavna rally organised last month by 13 political parties, including the ruling Janata Dal.

However, even without attempting any comparison, it can be said that those assembled at Patna to hear Mr. Advani extended beyond the urban elite as some Dal leaders tried to portray, but also belonged to rural areas and to the weaker sections.

With Mr. Advani's visit, the BJP has launched a determined campaign in Bihar to win over those feeling disappointed with the Congress, as also those who are visibly disenchanted with the ruling Janata Dal.

Punjab Objects to Yamuna Waters Pact

93AS0617A *Calcutta THE TELEGRAPH in English*
7 Feb 93 p 4

[Text] Chandigarh, Feb. 6—The Punjab government has thrown a spanner into the proposed memorandum of understanding (MOU) on the sharing of Yamuna waters between Haryana and the three non-partner states of Uttar Pradesh, Rajasthan, Himachal Pradesh and the Union territory of Delhi.

The MOU, which was to be signed yesterday, has been indefinitely postponed at the instance of the Haryana chief minister, Mr Bhajan Lal. The MOU was scheduled to be signed in the presence of the Union minister for water resources, Mr V. C. Shukla, at the Parliament House Annexe.

Although the Haryana Cabinet at a meeting in Chandigarh on Thursday had endorsed the draft of the MOU, Mr Bhajan Lal in a volte face said in Delhi that he wanted to have a "fresh look" at the terms.

Protesting against the proposed "arbitrary" distribution of the Yamuna waters, the Punjab government has clearly stated to the Centre that no agreement could be signed without Punjab's participation as it is "entitled" to 1.48 MAF [Million Acre Feet] of the Yamuna waters.

"A fax message to this effect has been directly sent to the Prime Minister, Mr P. V. Narasimha Rao," a top official in Punjab's irrigation department told THE TELEGRAPH last night.

The official said since the MOU was "on the basis of riparian rules," and if the same was followed in the case of Punjab, "then Haryana and Rajasthan have no right to claim a share of the Ravi-Beas water flowing in Punjab."

Asked how Punjab was entitled to a share of 1.48 MAF of the Yamuna waters, the official said "there was 2.46 MAF unutilised surplus of the Yamuna waters at the time of united Punjab. Thus, on an accepted norm of 60:40 ratio between Punjab and Haryana on river-water sharing, the Centre should reserve Punjab's share (1.48 MAF) and distribute the remaining amount among others who have staked a claim."

He said the Punjab irrigation and power minister, Mr Harcharan Singh Brar, had made it clear to Mr V. C. Shukla over telephone from Patiala yesterday that he would not compromise on this issue and also expressed his surprise that Punjab was left out of the deliberations when the MOU was drafted.

None of the earlier governments in the forefront of the state's affairs, like the Akali Dal and Congress(I), ever staked a claim for the Yamuna waters. It was during President's Rule in January 1992 that the then Governor, Mr Surendra Nath, sent a letter to Delhi claiming that Punjab should be given its "due share" of the Yamuna waters.

When the Beant Singh government came to power in February last year, it too adopted the same stand as Mr Surendra Nath on the Yamuna waters. It said at the time of distribution of the Ravi-Beas waters between Punjab and Haryana on the basis of a notification issued by the Centre on March 24, 1976, the Yamuna waters were not taken into consideration in deciding the quantum apportioned between the two states.

People's Power Reestablished in Rural Punjab

93AS0595A *Calcutta THE TELEGRAPH in English*
26 Jan 93 p 4

[Article by Monimoy Dasgupta: "No Fear of the Gun in Rural Punjab Now"]

[Text] Chandigarh, Jan. 25: The just concluded seventh panchayat elections in 11,636 villages has re-established people's power in the rural areas of Punjab, which have been ruled by the gun for nearly a decade.

The near 80 percent turnout recorded during the four phases of the elections indicates that the confidence of the Punjabis living in the countryside has been restored.

The large turnout also indicates that the rural folk is fed up with the cult of violence and are now asserting their right to live in peace. Thus the polls which have been held in the state after a span of nine years, was, as the chief minister, Mr. Beant Singh said, a "referendum for peace."

Meanwhile on the basis of intelligence reports the chief minister said the Congress(I) was way ahead in almost all seats. "We have won in over 70 percent of the seats, the chief minister asserted. [quotation marks as published]

However, all major political parties, including the Akalis are also making counterclaims on the results of the polls which has been contested without party symbols.

These claims and counter claims aside, it is true that the 11-month-old Beant Singh government has managed to virtually wash away the stigma of being the 10 percent government.

The legitimacy the government was seeking have been obtained with the rise of the turnout from 50 percent in 1983 to the present 80 percent.

The villagers had earlier stayed away from the polling booths during the Assembly elections which brought the Congress(I) to power in this state. In villages like Warra Mansoorwal, a place frequented by Khalistan Commando Force (KCF) militant, Gurdas Singh Mansoorwal, and village Rode, the village of Jarnail Singh Bhindranwale, where not a single vote was polled in February, but registered a 75 percent turnout last week.

The long queues before the polling booths confirms the suspicion that villagers had not "boycotted" the Vidhan Sabha polls voluntarily but had succumbed before the

might of the gun. But the success of the security forces operating here have given the people to come out of their houses to vote.

Apart from the response from the people, a spirited campaign preceded the polls, where the candidates canvassed without fear or security cover.

The liquor vends, which had to be closed after the pro-Khalistani elements launched their "social reform movement," and banned the sale and consumption of alcohol and tobacco, were reopened in a number of villages. There were about 20 panchayat poll-related liquor deaths reported in Amritsar district alone.

The various Akali groups which were forced into boycotting the Assembly polls came out fearlessly to participate in the elections. During the campaigning the Akali factions chose the all too familiar stance of high-lighting the repressive policies of the Beant Singh government.

However, the Akali slogan was a paradox of sort, as it was the same Beant Singh government against whom all Akali factions directed their venom, that had made it possible for the likes of Mr. Prakash Singh Badal and Mr. Simranjit Singh Mann to even contest the elections.

Central Forces Needed To Control Northeast Insurgents

93AS0594A Madras *THE HINDU* in English 27 Jan 93
p 6

[Boldface, italicized words as published]

[Text] Guwahati, Jan. 26. Even as the problems of maintenance of law and order during the coming elections in the three northeastern States of Meghalaya, Nagaland and Tripura (Feb. 15) are occupying the attention of the Central law enforcement agencies in the region, the forces available with the States in the region are now routinely assumed to be inadequate with each State clamouring for more Central forces even for routine law and order duties. The situation in Manipur appears to be deteriorating fast.

The Manipur Government on Sunday formally requisitioned the assistance of the armed forces, along with the already deployed Central security forces, to control the violent activities of insurgent groups.

At least eight security personnel belonging to the Manipur Rifles, the CRPF [Central Reserve Police Force] and the Assam Rifles have been killed this month in incidents in which both the United National Liberation Front (UNLF) and the National Socialist Council of Nagaland (NSCN) have been involved.

In one of these incidents, in an attack on the Manipur Rifles outpost in Tengnoupal district on Jan. 18 by suspected NSCN militants, a large quantity of weapons including light machineguns, stenguns and rifles, along with plenty of ammunition, were looted. In the attack on CRPF personnel at Parompat in Imphal on Jan. 20 by

suspected UNLF militants in which three jawans were killed, the attackers took away the automatic rifles of the victims.

In the latest of such incidents, suspected NSCN insurgents shot dead the Sub-Inspector of the Motbung police station in Senapati district on Monday.

These incidents took place against the background of the call for a boycott of the Republic Day celebrations in the State by insurgent organisations. It is true that such boycott calls are routinely given by insurgent organisations throughout the region. In Manipur too similar boycott calls have been given earlier. The significance of the present boycott call, however, lies in the fact that it has followed so closely on the heels of the considerable amount of goodwill generated towards "India" following the passage of the Constitution Amendment Bill providing for the inclusion of Manipuri in the Eighth Schedule of the Constitution.

Clearly, the expectation that the separatist sentiments at least in the valley would take a back seat following that legislation has turned to be unrealistic.

Indeed, with the exclusivist Meitei nationalist sentiment represented by the PLA [People's Liberation Army] now yielding place to the rather more inclusivist Manipuri nationalism represented by the UNLF, the insurgencies in the hills and the valley are likely to be much less hampered by fundamental contradictions between the two perspectives than was the case during the heyday of the PLA and the PREPAK [People's Revolutionary Party of Kangleipak]. Controlling the emerging situation in Manipur will therefore pose some unique and perhaps even insurmountable problems to the Centre.

Insurgents Rule the Roost in Manipur

Our Imphal Correspondent reports:

In a new strategy, insurgents have started killing Assam Rifles and CRPF personnel who come to the market in civil dress without weapons. Whenever there are such killings panicky personnel allegedly beat up innocent passersby and there have been unofficial reports of altercation with police.

Adequate numbers of Central forces had been deployed in Manipur but many battalions were withdrawn for duty in Assam and Kashmir in response to repeated requests from the Manipur Government, some companies of Central forces have been sent back to Manipur. The Chief Minister, Mr. Dorendera told *The Hindu* that the Central forces had been redeployed in five hill districts. He said the Central forces and the army would not be redeployed in the three valley districts. However, the situation in these districts has deteriorated. Advertisements published in local dailies show that heavily-armed insurgents have been raiding a number of villages to round up drunkards, drug addicts, gamblers, rapists and other anti-social elements. These people are beaten

up and then forced to insert advertisements in newspapers to serve as a warning to others.

Some weeks ago, insurgents belonging to the People's Liberation Army, military wing of the Revolutionary People's Front, went to a government college with heroin confiscated from addicts and traffickers. At a function lasting more than an hour, heavily armed insurgents lectured on the pernicious influence of drugs and then made a bonfire of heroin packets.

On an earlier occasion, insurgents took some reporters to a place near Imphal where they burnt pornographic video cassettes.

In sharp contrast, police personnel are not rounding up these anti-social elements. In the past, Imphal district used to publicise the monthly achievement such as the number of insurgents arrested and killed and the amount of liquor and drug seized. A section of the local press says that insurgents who are dubbed as misguided youth are gaining the upper hand.

Insurgents curb police movement: The movement of the State and Central forces is also curtailed in view of the attacks by the insurgents. The most deterrent form of attack has been the blasting of the vehicles of security forces by land mines or Chinese bombs activated by remote control. All circles agree that the movement of police and troops have been restricted and no security force is seen at night. As insurgents have also warned people that they should not venture out at night unless there are emergencies like rushing a sick person to hospital.

The former Chief Minister, Mr. R.K. Jaichandra, who was a close friend of Rajiv Gandhi, is reported to have met a number of new Central Ministers who were his colleagues when he was in the Union Cabinet. Reports are that Mr. Jaichandra will be informing the Central leaders about many acts of "commission and omission" of the State Government.

Ganja smuggling: Another incident which does not do credit to the Dorendera Government is the escort allegedly provided by Manipur Rifles personnel to some truck loads of ganja taken all the way to Bihar. Some such smuggling to Bihar and Uttar Pradesh is going on, but in this particular incident Manipur Rifles personnel were arrested in West Bengal when they allegedly shot a civilian.

In another incident, transporters failed to deliver rice worth hundreds of crores of rupees. All that the Manipur Government did was to forfeit the security deposit of these transporters. The insurgents on the other hand, delivered an ultimatum to deliver the missing rice or face extreme punishment. The transporters are making distress purchase of rice and have started delivering them to Imphal.

The sale of Indian Made Foreign Liquor and lottery tickets were the major source of revenue for Manipur. But the insurgents have closed both these sources by just issuing a press statement.

Financial woe: Added to these is the problem of financial difficulty. Manipur has run up an overdraft of Rs. 100 crores and banks are dishonouring Government cheques. Government departments cannot purchase even stationery and the Chief Minister admits that development works have been grounded to a halt. Some of the local dailies have closed as Government tender notice, their only source of revenue, are not coming forth any more. In a bid to cut his political detractors within the party to size, Mr. Dorendera has joined hands with the Manipur People's Party which has been imposing various conditions and demanding more cabinet berths.

Congress(I) Issues First Secular Campaign Pamphlet

93AS0623A Calcutta THE TELEGRAPH in English
5 Feb 93 p 5

[Article: "Cong To Free Politics of Religion"]

[Text] New Delhi, Feb. 4: The Congress has, in its first secular campaign pamphlet, called for constitutional changes aimed at keeping religion out of politics.

Stressing the need to build up public opinion for effecting these changes, it says, "It is necessary to build public opinion for this purpose, because no changes constitutional, or otherwise, can be carried out and enforced without the will of the people."

The changes, the 15-page booklet says, will be aimed at levelling "the ground for political fairplay for all democratic secular forces."

The party also accuses the "forces of communalism and fascism" of subverting the Constitution from within by "misusing the privileges and opportunities" offered by it. Coming to the BJP [Bharatiya Janata Party] and the events of December 6, the pamphlet says, "By this action, it has sought to frighten and intimidate the minorities, throw the entire country into turmoil, inflame communal passions, and is now insisting that elections be held immediately as it hopes once again to cynically exploit religious sentiments and convert support to Ram into votes for itself."

Tracing the historical linkage between religion and politics, the Congress blames those of the "liberal outlook" for being passive observers to this phenomenon. "Even when these dangers were seen and notes of caution and warning were issued, vocal sections of our society did not act effectively because they believed even insanity has its limits."

Urging the relegation of all other issues, the booklet says, "When the threat is at its worst, and the danger most serious, that is the time to make the boldest resolve, the greatest sacrifice."

Also implicit is the need to forge a broad non-BJP front. Harking back to the election of 1991, the pamphlet holds the "four-way split in the non-BJP votes" in Uttar Pradesh as being responsible for the BJP's coming to power at Lucknow.

The Congress also lambasts the Opposition parties for their stand on Article 356, accusing them of shifting positions: "It is easy for non-Congress parties to conveniently change their stand and their stance whenever it suits them politically. But it cannot mislead the people."

The pamphlet rounds off with a pledge by all Congress workers to "strengthen the will of the Indian people which will ensure that inflaming of religious passions has no place in the politics and polity of India."

Congress(I) Working Committee Meets 8-9 Feb

8 Feb Meeting

93AS0615A Bombay THE TIMES OF INDIA
in English 9 Feb 93 pp 1, 10

[Text] The Times of India News Service, New Delhi, February 8—The Congress working committee (CWC), which met under the presidency of Mr. P.V. Narasimha Rao here today, witnessed Mr Arjun Singh, human resource development minister, express his faith in the party chief and distance himself from the dissidents by saying that since Mr Rao was democratically elected as the Congress president, the demand that he quit the party post was improper and unjustified.

After his much publicised statement, attacking the party leadership for being soft towards communal and fascist forces, some CWC members saw Mr. Arjun Singh's stance at today's meeting as one that came as an anticlimax.

They felt that he had tested the political waters last night and finding there was hardly a ripple visible, had chosen to reconcile with the leadership at this juncture. Indeed, the CWC's mood was of total unity and Mr Arjun Singh set the tone for this spirit of togetherness.

(The questions of combating communal forces which have occupied centre-stage in the aftermath of the December 6 Ayodhya incidents, and debarring communal elements from seeking election, were deliberated at the meeting, PTI reports.

(A majority of members rejected the dissidents' plea for applying one-man-one-post norm to Mr Narasimha Rao.

(A resolution was sought to be tabled by Mr. Arjun Singh suggesting that it should be legally examined as to how to amend the Representation of the People Act to stop the communal elements "at the threshold of elections."

(Yet another resolution seeking to put a halt to the "denigration" of post-independence leaders like Mrs Indira Gandhi, Mr Rajiv Gandhi and others was also moved at the meeting.

(The dissidents' demand for holding the AICC [All India Congress Committee] session before the budget session of Parliament beginning February 22, was not favoured by most of the CWC members, including the chief ministers, who are permanent invitees.

(The general view was that the AICC could not be convened before the last week of March or early April.)

The CWC meeting began at around 4.40 p.m. at the prime minister's residence at 7, Race Course Road. It went on till about 8 p.m., when there was a break to allow Mr Rao to attend the banquet he hosted at the Hyderabad House in honour of the visiting Spanish Prime Minister, Mr. Felipe Gonzalez. The CWC meeting resumed again later.

Sources said that Mr Rao did not make any introductory remarks at the start of the meeting. After Mr. A. K. Antony initiated the discussion, Mr. Arjun Singh spoke. Mr. N. D. Tiwari gave a detailed account of the ground realities in Uttar Pradesh and said that the despondency felt in Delhi over the growth of communalism was not borne out by the situation prevailing in villages in north India.

Mr. Tiwari stressed the need to utilise the services of freedom fighters in the fight against communalism. He said the village units of freedom fighters should be strengthened. He also urged the need for an "aggressive political campaign" and made some suggestions for the "action plan" being drawn up by the CWC to combat communal forces.

Mr. Arjun Singh went into the details of how Mr. Rao was elected as the party president and said there was no question of anyone trying to oust him from this position. At the same time, he emphasised the need for dialogue and discussion within the party on important issues. "Differences did not mean revolt," he said.

He recalled that he had received a notice in 1969 from the party leaders when a call had been given to vote according to conscience. It was later proved that his stand had only been for the betterment of the party, he observed.

Mr. Sitaram Kesri, welfare minister, directed his ire against Mr. M.L. Fotedar, Mr. K.N. Singh, Mr. B.P. Maurya and Mr. P. Shiv Shankar without naming them. He said those who wanted to come into the council of ministers but were not taken in by Mr. Rao and those who had to go out of the council of ministers were damaging the party. They were responsible people and had formed part of the central leadership at one time. Mr. Kesri suggested that disciplinary action be taken against those violating discipline, "however big they may be."

The sources said when Mr. Kesri first raised the issue of taking disciplinary action, Mr. Arjun Singh asked him what was meant by discipline. If what was said by such elements would help the party, as was seen in 1969, then he did not think it fitted in the category of indiscipline. But apart from this exchange, there was little else by way of counter-arguments in the first half of the lengthy CWC meeting.

Mr. K. Karunakaran and Mr. Bhajan Lal, chief ministers of Kerala and Haryana respectively, expressed solidarity with the party president and prime minister and said an unseemly controversy over one-man-one-post had unnecessarily been raised by some elements. There was no need for any discussion on this point, they said.

The CWC member, Mr. R. K. Dhavan, has, in a letter to the prime minister, demanded that the CWC formulate a clear-cut policy against communal forces, led by the BJP-VHP [Bharatiya Janata Party-Vishwa Hindu Parishad] combine.

Meanwhile, seven chief ministers had assembled at Maharashtra Sadan on an invitation from Mr. Sudhakar Naik, chief minister of Maharashtra, this morning. "Every Congressman is with Mr. Narasimha Rao. There is no doubt of that," said Mr. K. Vijaya Bhaskara Reddy, chief minister of Andhra Pradesh, as the chief ministers filed out of the sadan to proceed to Rashtrapati Bhavan for lunch with the visiting dignitary from Spain. Also present were Mr. Veerappa Moily (Karnataka), Mr. Chimanbhai Patel (Gujarat), Mr. Ravi Naik (Goa) and Mr. Vaidyalingam (Pondicherry).

Mr. Hiteshwar Saikia (Assam) could not come but said he was with his colleagues in supporting the prime minister. Similar sentiments were expressed by the chief ministers of Arunachal Pradesh, Mizoram, Tripura and Meghalaya.

9 Feb Meeting

93AS0615B Bombay THE TIMES OF INDIA
in English 10 Feb 93 pp 1, 17

[Text] The Times of India News Service, New Delhi, Feb. 9—The Congress working committee (CWC) tonight entrusted Mr. Sharad Pawar, Mr. Narayan Dutt Tiwari and Mr. Ghulam Nabi Azad, the task of preparing, in the next two days, an action-plan to confront communalism.

The CWC adopted seven resolutions. The political resolution accused the BJP [Bharatiya Janata Party] and its allies of hatching a conspiracy to demolish the mosque at Ayodhya and blamed them (BJP, VHP [Vishwa Hindu Parishad], Shiv Sena and RSS [Rashtriya Swayamsevak Sangh]) for the happenings in the aftermath of Ayodhya in Bombay, Ahmedabad, Surat and other cities, resulting in a large number of people losing their lives and a colossal damage to property. The BJP and its allies, by

arousing communal passions for their political ends, had created distrust and a sense of insecurity among communities, it said.

In another resolution, the CWC urged the government to consider suitable changes which could be effected in the electoral law to curb the misuse of religion in the country's progress.

It also regretted in another resolution the tendency to hastily approach the media, resulting in an unhealthy projection of the party and consequent harm to the interests of the party. The CWC disapproved of this practice and called for an enforcement of discipline and for an effective functioning of the disciplinary action committee. "While inner party democracy should be utilised to discuss matters threadbare, controversial public projection should be avoided. This should be observed by all Congressmen, particularly at the higher levels," the resolution said.

Three resolutions welcomed the recent visits of the Russian President, Mr. Boris Yeltsin, the British Prime Minister, Mr. John Major and the President of Spain, Mr. Felipe Gonzalez.

Another resolution said the CWC viewed with contempt the efforts of the BJP and some others to denigrate the dynamic and inspiring leadership given to the country by the great leaders, Jawaharlal Nehru, Indira Gandhi, and Rajiv Gandhi in the past 40 years of India's independence. "Any attempt to denigrate them or their efforts is a direct assault on the consciousness of the party," it said.

On the issue of one-man-one-post, the CWC unanimously decided that the principle would not apply to the Prime Minister and Congress president.

The CWC also decided that the AICC [All India Congress Committee] session would be held immediately after Ramzan on March 27 and 28 at Faridabad.

The political resolution was proposed by Mr. Sharad Pawar and Mr. Tiwari and endorsed by Mr. Vijaya Bhaskara Reddy and Mr. K. Karunakaran. Mr. Arjun Singh moved the two resolutions on amending the electoral law and BJP's bid to denigrate past leaders.

The resolution on senior partymen rushing to the media was adopted in the context of a discussion during which the union minister for agriculture, Mr. Balram Jakhar, expressed the strong resentment against the Human Resource Development [HRD] Minister, Mr. Arjun Singh, for conducting a press briefing at his residence late last night on yesterday's CWC deliberations.

Mr. Rajesh Pilot and Mr. R.K. Dhawan were also reported to have expressed similar views. Their view was that Mr. Arjun Singh should not have pre-empted the official party briefing by Mr. V.N. Gadgil, the party spokesman. Of course, Mr. K.N. Singh, former AICC secretary, is also holding daily briefings at his residence on behalf of his pressure group.

The working paper on this issue was prepared by office-bearers of the AICC. In his presentation, Mr. Bhajan Lal urged Mr Arjun Singh to contribute to party unity in a manner that the party desired.

The only observation made by Mr. P.V. Narasimha Rao in the nine-hour CWC debate (four-and-a-half hours yesterday and four-and-a-half hours today) was that unity and discipline were synonymous. "The need of the hour was to have a strong, united and disciplined party to fight the menace of communalism," he said.

Reports about Mr. Arjun Singh having staged a walk-out were denied by the party spokesman, Mr. Gadgil, during his briefing tonight. "The discussions proceeded smoothly and in an orderly manner," he said. No personal allegations were levelled against anyone. Mr Arjun Singh had left the meeting early as he had another engagement. Mr. Gadgil said that even Mr. Ghulam Nabi Azad and Mr. Balram Jakhar had to leave early to keep up other engagements.

On the BJP's proposed rally on February 25, Mr. Gadgil said that the CWC had left it to the government's discretion.

After the December 6 events in Ayodhya and in the context of the February 25 rally, did the CWC still trust the BJP? Mr Gadgil was asked. "It is left to the government to decide as they have all the information, not the party," he said.

It is learnt that the party's "action-plan" will comprise, inter alia, holding of rallies all over the country and galvanising the party to meet the threat of communalism and fascism. All social groups will be activated and party leaders will fan out all across the country to establish mass contact.

The action plan would be sent to PCCs [Pradesh Congress Committee] and DCCs [District Congress Committee] for implementation. Mr. Gadgil said that there was "tremendous mobilisation" of Congressmen in the erstwhile BJP-ruled states, and the process of activating partymen had already begun.

Mr. Arjun Singh was to meet mediapersons after the official briefing but did not turn up. Earlier in the evening, he had told some newsmen that he had left the meeting as he had to visit a hospital where a close relative was undergoing treatment. There was no question of any walk-out, he told them. Although he was not present when the resolutions were adopted, he had sat through the discussions and proposed two resolutions.

"Mr. Arjun Singh did not raise the one-man-one-post issue yesterday," Mr. Gadgil clarified when quizzed about the HRD minister's claim that he had done so. That principle had never applied to Congress Prime Ministers, he said, for historical reasons.

Papers Report on Developments in RSS

Calls to Muslims

93AS0589A Bombay THE TIMES OF INDIA
in English 1 Feb 93 p 17

[Text] Pune, January 31. The general secretary of the now banned Rashtriya Swayamsevak Sangh (RSS), Mr. H.V. Seshadri, today called upon Muslim intellectuals and lower rung leaders to initiate a dialogue with the majority community to rebuild mutually cordial relations.

Admitting that the Ayodhya-related developments had created a feeling of insecurity among the minority community he argued that any initiative by the RSS or its allies to dispel this feeling would be misunderstood at present. "Let me assure that if they take one step forward to rebuild mutual faith and respect, we shall reciprocate by taking two steps", he said.

Mr. Seshadri, however, squarely blamed the established Muslim leadership and "pseudo-secularists" for the prevailing hapless condition of the Muslims in the country. He appreciated that "sober" voices among that community were now distancing themselves from people like Mr. Syed Shahabuddin. The RSS would try and establish a rapport with such elements which were growing in numbers, he added.

Talking informally to a group of reporters during his brief visit to the city, the veteran RSS leader made a spirited defence of his organisation and its allies. He insisted that the recent violence in Bombay was a pre-planned conspiracy executed by a "foreign hand" through scores of Bangladeshi and Pakistani infiltrators in the metropolis.

Mr. Seshadri parried a question about the Shiv Sena's reported role in the Bombay violence, stating: "He (Mr. Bal Thackeray) has said what he wanted to. Why should I react to that?"

Describing the popular response to the RSS-sponsored signature campaign, for construction of a Ram temple at Ayodhya as "overwhelming and much beyond expectations", he said the number of signatories was certain to cross the figure of 10 crores to 12 crores by February-end. Several non-RSS organisations like the Arya Samaj and even many Muslims were supporting the campaign and Communist-dominated states like West Bengal and Kerala were no exception, he claimed.

Mr. Seshadri disclosed that the RSS had embarked upon a massive campaign throughout the country to "educate the masses" about its own view point on the Ayodhya-related issues. In another fortnight, pamphlets and booklets on the subject will have reached nearly four lakh villages and cities in the country. One lakh among them will be from Uttar Pradesh alone. A video cassette prepared by the Delhi-based Jain studio, projecting the RSS-perspective, will be shortly released for nation-wide circulation, he informed.

Mr. Seshadri scoffed at the Union home minister, Mr. S.B. Chavan's latest warning about banning new organisations spawned by the RSS. "What illegal activity has an outfit like the Ram Sevak Sangh done?" He countered. He also expressed confidence that the courts would strike down the ban in response to the writ petitions pending in four high courts in the country. The legality of the relevant act as also its implementation by the authorities were highly questionable, he stated.

Mr. Seshadri expressed dissatisfaction with the English press for its role during the last two month's developments. "Under influence of the pseudo-secularists in the country, the English press often mis-reported the facts whether in Ayodhya or elsewhere, afterwards. But luckily, some welcome changes have been visible in recent days. The sooner they acknowledge the reality, the better", he commented.

He maintained that the demolition of the disputed structure at Ayodhya was a spontaneous outburst of the Hindu will, which had been suppressed for long. The five lakh Kar Sevaks assembled at Ayodhya on December 6 spontaneously reacted when they lost faith in the government and the judiciary, he claimed. The Prime Minister has been talking of betrayal, but it was the Kar Sevaks who were betrayed by the Central government, he argued. He also denied the Prime Minister's accusation that the "RSS Parivar" had been talking in "different voices."

During its on-going mobilisation campaign, the RSS would seek to dispel the fear that revival of Hindutva would lead to resurrection of the oppressive "Chaturvarnya" system, he told a questioner.

The Central government and "pseudo-secularists" were solely responsible for tarnishing India's image abroad by erroneously referring to the Ayodhya structure as a mosque, he charged.

History Conference

93AS0589B Bombay THE TIMES OF INDIA
in English 29 Jan 93 p 3

[Article by Vidyadhar Date: "RSS Leader Reiterates Theory on Aryans"]

[Text] Bombay, January 28. Despite the ban, leaders of the Rashtriya Swayamsevak Sangh (RSS) remain quite active. Mr. Moropant Pingaley, a top leader, in fact inaugurated a conference of right-wing history scholars at Warangal in Andhra Pradesh recently.

He reiterated at the conference the favourite RSS theory that the Aryans or the Vedic Indians were the original inhabitants of Bharat. The theory seeks to counter the view that the Aryans came to India from the West or Central Asia. The idea behind the RSS theory is to divide the Hindus as original Indians and the Muslims as alien invaders.

The conference was the second to be held under the banner of the Akhil Bharatiya Itihas Sankalan Yojana and sought the rewriting of Indian history to suit the RSS way of thinking. Nearly 200 delegates from 13 states attended the conference, which indicates the manner in which the RSS is influencing the academic community,

In his speech, Mr. Pingaley glorified India as the oldest nation in the world with a unique heritage and great contribution to world civilisation. He expected historians to pay due attention to these aspects in their writing.

The conference claimed in a resolution that a magnificent temple existed for centuries on the sacred land of Ramjanam which was destroyed in 1528. It also demanded that the whole area be handed over to the concerned trust for the construction of a Ram temple.

The conference was to be inaugurated by Dr. S.R. Rao, adviser, marine archaeology, National Institute of Oceanography in Goa.

Dr. Rao's thesis that the Dwaraka excavated in Gujarat belonged to the Mahabharata period of 1500-1400 B.C. has been strongly challenged by Dr. L.B. Kenny, the 80-year-old veteran research scholar from Bombay.

Dr. Kenny has argued that the findings at Dwaraka could be placed any time after the 13th century A.D. and before the 16th century.

He says it is unscientific to rush to the conclusion that the excavations belonged to Krishna's Dwaraka dating as far back as 1,500 BC when Krishna, like Rama, remains essentially a mythical figure and there is no historical evidence of his having actually lived.

Dr. Kenny was to present his paper on the subject at the Indian History Congress which was also to be held at Warangal last month but was postponed abruptly.

He and Dr. K.K. Chaudhari, chief of the department of gazetteers of Maharashtra, did not know about the postponement and reached Warangal.

It is now proposed to hold the conference at the same venue from February 13 to 15.

Dr. Chaudhari, a noted history scholar, said he had written to the general secretary of the Indian History Congress [IHC] in Delhi, Dr. K.M. Shrimali, that the Kakatiya university where the conference is to be held totally lacks the required infrastructure.

He had also made this clear to the university vice-chancellor, Dr. K. Jayshankar. A proper academic atmosphere is also said to be lacking in the university.

Dr. Chaudhari said he also proposed to take up the issue with Prof. Irfan Habib, the renowned historian and chief of the Indian Council of Historical Research.

He said the pro-RSS sections had created disturbances at the last few annual sessions of the IHC. The police were

summoned at the last session in Delhi. Such forces, he argued, ought to be faced boldly. The IHC was being opposed by the RSS school of history researchers as they felt, somewhat unjustifiably, that it was controlled by leftists.

Dr. Kenny opposed the glorification of the past and said the so-called Mahabharata war seems to have been originally a small tribal feud or struggle, gradually magnified by poets and minstrels over the centuries to finally compose and write in its epic form the Mahabharata.

Dr. Kenny said the primitive heroes of the Mahabharata war could be not only pre-Aryan but pre-Dravidian as well. Krishna as depicted in various roles could be different personages reflecting the different phases of cultural life described in the long epic.

The earliest phase of the society in the epic reflects a people busy with savage fights with their hands, nails, teeth, clubs, bows and arrows still in the hunting and cattleherding stage and ignorant of family life, Dr. Kenny said.

RSS Schools Described

93AS0589C Calcutta THE SUNDAY STATESMAN
in English 31 Jan 93 pp 1, 7

[Article by Swati Chaturvedi: "Why the RSS Won't Leave the Kids Alone"; italicized, boldface words as published]

[Text] "Catch them young" is the guiding philosophy behind the 40 Saraswati Shishu Mandir schools run in the capital. Founded by the Rashtriya Swayamsevak Sangh [RSS], the atmosphere in the schools is thick with thought-control.

A strong feeling of what the RSS claims to be "Hindutva" has been inculcated in the children over the years. And content with having taken care of the future, the RSS continues to hold *shakhas* in the capital, blithely oblivious to the ban.

The relentless focus on dogma is paying off. Take the case of Anup, a student of Class II at the Jhandewalan branch of the Saraswati Shishu Mandir. He was born the year the gates of now-destroyed Babari Masjid were opened. When asked if he knew about the "Ram Mandir", he said: "*Ham log roz subah mandir ke liya madam key saath pooja karte hai*" (We pray along with our teacher every morning for the temple).

Indeed, before classes begin, children of Class II pray fervently that a temple is constructed at Ayodhya. The games period in the primary school has such games as *Main Shivaji, bomb visphot adi* (I am Shivaji and a bomb explosion). This is in conformity with the syllabus prescribed for Class II students.

In an age where symbols and motifs have become as important as rhetoric, the school has a saffron flag flying atop the building. The corridors have giant photographs

of Lord Ram and of the proposed temple that the RSS and its allies seek to construct at the disputed site in Ayodhya.

Another aspect of the propaganda masquerading as education is the fostering of the "Us-versus-Them" attitude. This pervades the primary as well as the middle schools, which, at the Jhandewalan branch, have as many as 1,100 children. Said Nisha Gulati, a Class III student: "*Pakistani hamen mandir nahi banane denge*". When asked what she meant by Pakistani, she looked confused and did not say anything. Incidentally, in the RSS lexicon, "Pakistani"—and occasionally "Bangladeshi"—is synonymous with being a Muslim.

There are 40 of these RSS-sponsored schools in Delhi, and the fees charged by them—RS 250 per month for a Class VI student, for example—are comparable to those charged by any public school. The primary schools are not recognized by Delhi Administration, though, the secondary one—up to Class X, that is—is affiliated to the Central Board of Secondary Education.

At the moment, the school at Jhandewalan does not consider new applicants as all the seats are filled. However, children who have studied at Sangh schools in other parts of the country are given admission as "transfer cases". The medium of instruction is Hindi and the children are taught the RSS-approved version of history, which glorifies the Aryans and treats the Mughals as "ignoble invaders".

It is learnt that despite the realization that the schools were being run by the RSS-sponsored Samarth Shiksha Samiti, the Government did not extend the ban because of "technical reasons". Sources said that the advice of the Law Ministry was sought at the time of the ban.

Whatever the logic, the RSS workers who run the schools appear well-braced for a ban. Mr. Virendra Bhatnagar, an office bearer, said: "We have been banned thrice, so this time they have not caught us unawares".

Meanwhile, under the benign eyes of the Delhi Police, RSS workers meet and carry out drills in several parts of the capital. Between 30 and 50 RSS workers meet—albeit without their trademark khaki shorts—at Maha Maya Mandir, in Saket opposite Apeejay school. This reporter saw the *shakha* in action behind canvas curtains.

Those living around the complex have been terrorized into silence. Unwilling to talk to *The Statesman* except on the condition of anonymity, they said the morning *shakha* continued for a full week into the ban. But later, on the advice of well-wishers, the time was changed from 5:30 a.m. to 7 p.m. every day.

A 56-year-old retired Army officer said: "They came to my house, asking me to sign a petition for their signature-collection drive. I refused. So they asked me if I was

a Hindu. When I told them that I did not mix my religion with politics, they threatened me and said there was no place for me”.

This is not an isolated case but the experience of almost all the people who did not want to sign the petition that the RSS is preparing for the President. In its efforts to procure five crore signatures, the RSS has taken recourse to threats of physical intimidation and emotional blackmail, said many residents.

The position was best explained by Mr. Bhatnagar of the RSS who asked, “What ban?”. He boasted that the *shakha* was held every morning even at the Keshav Kunj headquarters. “Does it matter if we do not wear the uniform?” According to him, many senior officials belonged to the RSS as “we do not have a membership form. There is no fee. If someone shares our philosophy, they are members of the Sangh parivar.”

The noticeable thing, both at Keshav Kunj and Saket, was the presence of policemen. At Saket, a police van was standing just 50 metres away from where the *shakha* was being held. At Keshav Kunj, constables were present within the complex.

Roza, Bani Deshpande Expelled From UCPI

93AS0609A Bombay THE TIMES OF INDIA
in English 12 Feb 93 p 4

[Text] The Times of India News Service, Bombay, February 11—Two founder leaders of the United Communist Party of India (UCPI), Ms. Roza Deshpande and Mr Bani Deshpande, have been expelled from the party.

In a statement issued yesterday, Ms. Deshpande said she received a letter from the party's state secretary communicating the unanimous decision to expel her from the party.

The whole Bombay committee had been censured for not expelling Mr Deshpande earlier for his statement on banning communal organisations, she said.

She criticised some leaders for their incapacity and ignorance, “which was compelling them to liquidate the party by arbitrary expulsions and claimed that both of them have resigned from the party.”

Ms. Deshpande stood by the various statements she had made and said the differences in the party appeared to be irreconcilable with the political line pursued by Mr Mohit Sen and Mr David Pandian.

“They have virtually liquidated the party by reducing it to a propaganda department of the Congress for unsolicited advice as against the late Mr S. A. Dange's line of unity and struggle with the Congress,” she said.

She said she had earlier stated that politics and religion could not be separated from the national ethos and consciousness in certain movements. She said, while condemning the vandalism at Ayodhya, she had

expressed disapproval of dismissing constitutionally elected state governments and arrests of leaders like Mr L. K. Advani, Dr M. M. Joshi and others.

She said Mr Deshpande had also said, when asked for his reaction, that banning the VHP [Vishwa Hindu Parishad] and other organisations betrayed “panic” psychology and would not help solve problems in the long run. She said the whole Bombay committee of the party had been censured for not expelling Mr Deshpande for this statement.

Accusing Mr Sen and Mr Pandian of “lack of political perspective in the fast-developing correlation of forces in the country and ignorance of national problems in its diversity,” Ms. Deshpande said on international issues too it was the most brazen show of political immaturity when Mr Sen described Mr Boris Yeltsin as a chauvinist and counter-revolutionary. Later events proved the political bankruptcy of so-called intellectuals, she added.

Mr Deshpande said they had denigrated Dr Ambedkar as the architect of our constitution and called for revaluation of his life and equated Mr Advani and the BJP [Bharatiya Janata Party] with the late Mr M. A. Jinnah and the Muslim League, respectively.

Political immaturity in the guise of Marxist philosophy and ideology in relation to the country's multi-lingual and multi-ethnic issues proved the total incapacity and inability of Mr Sen and Mr Pandian to lead the party, she said.

She said their incapacity and ignorance was compelling them to liquidate the party by arbitrary expulsion of individuals and groups in several states with a view to joining the Congress.

Congress Leadership Ignores Orissa Dissidents

93AS0606A Bangalore DECCAN HERALD in English
14 Feb 93 p 8

[Article by S. T. Beuria in Bhubaneswar: “Congress High Command Snubs Orissa Dissidents”]

[Text] The dissidents in the Orissa Congress(I) have suffered a setback following the high command's decision to issue a show-cause notice to PCC(I) [Pradesh Congress Committee] Vice-President Basanta Kumar Biswal for the no-confidence motion passed against PCC chief J.B. Patnaik and demanding his removal at a recent meeting.

The constant infighting within the Orissa Congress once again came to the fore following the party dissidents' decision to pass a no-confidence motion against Mr. Patnaik at a meeting here on February 5.

According to Mr. Bhagabata Prasad Mohanty, a former Minister and prominent member of the anti-J.B. Patnaik group, the rebels were forced to hold such a meeting.

This, he said, was because despite repeated demands from a majority of PCC(I) members, Mr. Patnaik did not bother to call the general body meeting to discuss urgent party matters.

The dissidents' meeting was attended by 181 of 333 PCC members and a large number of members who could not attend the meeting had expressed their support to the dissidents through written messages, Mr. Mohanty claimed.

Party heavyweights who attended the meeting included Mr. Basanta Kumar Biswal, former Chief Minister Hemananda Biswal and former Union Minister and MP [member of Parliament] Ramachandra Rath.

Though other anti-J.B. Patnaik heavyweights like Mrs. Nandini Satpathy, and Union Ministers K.C. Lenka and Giridhar Gomango did not attend the meeting, reliable party sources said they had expressed tacit support to the dissidents.

The dissidents' no-confidence motion said they were no more prepared to accept Mr. J. B. Patnaik as their leader as the latter was leading the State Congress towards disaster.

A copy of the motion was despatched to the party high command through a special messenger. The rebel camp had urged the high command to send Mr. Ahmed Patel, the AICC [All India Congress Committee] General Secretary in charge of Orissa, to Bhubaneswar immediately to plan for the "smooth removal" of the PCC President.

The dissidents made it clear that they were prepared to accept anybody as their leader in Mr. Patnaik's place.

Among the many allegations made against Mr. Patnaik were his alleged connections with the BJP [Bharatiya Janata Party] and RSS [Rashtriya Swayamsevak Sangh]. The dissidents claimed that the PCC chief had a "clandestine" relationship with the BJP through his son-in-law, Mr. Saumya Ranjan Patnaik and even patronising them sometimes.

Mr. S.R. Patnaik is a Vice-President of the State BJP unit. The high-profile son-in-law of Mr. J.B. Patnaik was an active Congress(I) member and had emerged as a power centre in State politics during Mr. Patnaik's tenure as Chief Minister between 1980 and 1989.

He joined the BJP when denied a Congress Party ticket to fight the 1991 Lok Sabha polls.

Elaborating on Mr. J.B. Patnaik and his family's relationship with the BJP, Mr. Bhagabata Mohanty, who is acting as the spokesman of the dissident camp, said Mr. Niranjana Patnaik, the man most trusted by Mr. J.B. Patnaik—also the elder brother of the former Chief Minister's son-in-law, had arranged a public meeting for BJP leader L.K. Advani at Keonjhar, the home district of the Patnaik brothers.

Stating that the credibility of the State Congress had reached its lowest point due to Mr. J. B. Patnaik and his family's relationship with the BJP, Mr. Mohanty and other leaders claimed that Mr. J.B. Patnaik's BJP connections had cost the Congress(I) the Malkangiri Assembly by-election last year. The BJP had won the seat.

Among other interesting incidents disclosed was the raising of "Jai Shri Ram" slogans and saffron flags during a procession organised by Mr. J. B. Patnaik at Bhubaneswar on December 28 last year on the occasion of the Congress(I)'s Foundation Day.

The supporters of Mr. J.B. Patnaik have described the dissidents as "a bunch of frustrated men" who were jealous of Mr. Patnaik's "dynamism."

State Seva Dal chief and staunch supporter of the PCC chief Arya Kumar Gyanendra described the dissidents' meeting as a direct revolt against the Congress high command and Prime Minister P.V. Narasimha Rao.

The Seva Dal chief was obviously referring to the presence of Mr. Ramachandra Rath, who had recently criticised the Prime Minister's style of functioning in an interview to a national daily.

UK Aid To Help Sustain Economic Growth

93AS0583 *Calcutta THE TELEGRAPH in English*
25 Jan 93 p 1

[Quotation marks as published]

[Text] New Delhi, Jan. 24—Britain's Overseas Development Administration (ODA) today announced a £90 million aid package for India.

Baroness Linda Chalker, Britain's minister for overseas development, has approved £21.4 million to improve the efficiency of the Hirakud hydro-electric plant in Orissa and £6.027 million to help modernise eight regional engineering colleges in the country.

In addition, Britain has offered a £63 million grant for the Chandrapur HVDC electricity transmission project, subject to normal "appraisal and approval procedures," according to a British Information Service release.

India is the largest recipient of British bilateral aid (£136 million in 1991-92). The new grants are part of the ongoing bilateral aid programme, the objectives of which are to assist India's efforts to achieve sustainable economic growth, to support economic reforms and to help address specific environmental problems and the needs of the poor.

The high-level 20-member business delegation accompanying the British Prime Minister, Mr. John Major, was also briefed during the day by senior secretaries of the Union government on India's economic reforms and the opportunities they have opened up for foreign investment.

Both India and Britain are looking forward to more economic cooperation between the two countries. India needs help to develop its infrastructure and Britain has both the technology and the resources. Britain, in its turn, is looking at India for joint ventures after the liberalisation by the Narasimha Rao government.

The announcement of today's aid-package is a significant step toward that direction. The business delegation was also told of the various deregulation measures undertaken by the Centre, specially in the infrastructure areas of power, telecommunication and petroleum, a foreign office spokesman said. The British side presented a paper suggesting a framework for an Indo-British partnership initiative laying down broad outlines of intent on various steps to boost trade and investments. The Indian side briefed the businessmen of the impact of the liberalisation and the scope it offered to foreign investors.

In announcing the aid for the Hirakud project, Baroness Chalker said, "There is a great environmental benefit in the project. The increased output at Hirakud avoids having to build equivalent thermal or hydro-electric capacity elsewhere. This project will help to fill the large gap between electricity supply and demand in India." The project is part of ODA's energy efficiency initiative

in India. It will renovate and upgrade the capacity of two turbine generators at the Hirakud Dam and will help in producing more electricity more efficiently.

A British company will carry out the work using Indian and British equipment and expertise. A British firm, Ewbank Preece Limited, is working alongside the Orissa state electricity board to help with project preparation, implementation and management.

On aid to the regional engineering colleges, Baroness Chalker said the technical cooperation grant would help technical education in India meet the needs of the country's industry. She said, "This is particularly relevant and timely. Because of the economic reforms now being undertaken in India, industry will be facing fresh challenges as well as new competition both at home and abroad."

British aid for the Chandrapur HVDC project is tied to GECALsthom's bid in the international tender arranged by Powergrid. A decision on the award of contract by Powergrid is expected shortly.

'Kashmir a bilateral issue': Mr. Major today ruled out any third party or country's mediation between India and Pakistan on the Kashmir issue saying it would be difficult for anyone to act as a coordinator, add agencies.

In an interview to All India Radio, Mr. Major said Kashmir was essentially a bilateral issue but "we will help if we are asked to."

The Pakistani Prime Minister, Mr. Nawaz Sharif, today renewed the offer for talks with India over Kashmir while praising Mr. Major's call for bilateral discussion.

Reserve Bank Head Predicts Improved Economy

93AS0592A *Madras THE HINDU in English* 28 Jan 93
p 18

[Address delivered by Dr. C. Rangarajan, governor, Reserve Bank of India, on "The Macroeconomic Scenario and Credit Policy" at the Indian Chamber of Commerce, Calcutta, on January 21]

[Text] The economic prospects for 1992-93 appear to be distinctly better. The real GDP [Gross Domestic Product] growth in 1992-93 may be around four percent, thus taking the economy closer to the Eighth Plan target growth rate of 5.6 percent. The higher growth rate in the current year will be largely attributed to a substantially improved performance in agriculture. The anticipated growth rate in agricultural production is around five percent. This is in contrast to the decline of two percent last year. The overall foodgrains production is likely to be 180 million tonnes—a substantial improvement from the level of 169 million tonnes last year. As regards cash crops, oilseeds, cotton and sugarcane are likely to record an impressive performance.

Trends in Industrial Production

The trends in industrial production are however, not that encouraging. The index of industrial production during the first four months of 1992-93 rose by 2.1 percent. There has been a distinct improvement in August and September so that the index during the first six months shows a rise of 3.9 percent. This is in contrast to a decline of 1.2 percent during the comparable period last year. The growth rate of around four percent is still a far cry from the average annual rate of growth of eight percent achieved in the Eighties. Several factors have contributed to the slackening of industrial growth. To some extent, attempts to reduce the fiscal deficit, which once again has a bearing on Government expenditure, must have affected the demand for certain goods. The demand for industrial consumption goods must have been affected by the rising trend in prices. However, there are more encouraging factors in the overall economic scenario with respect to industrial production. With the improvement in production of cash crops, agro-based industries which still have a weight of 30 percent in the index of industrial production may not face any supply constraints. With larger imports, the availability of foreign components and raw materials must also ease. With the improvement in agricultural production rural incomes will pick up which can again create more demand for consumer goods.

Higher Corporate Investment Likely

There is as yet no indication of private investment going down. A study done by the Reserve Bank of India [RBI] on the forecast of corporate investment indicates that in 1992-93 corporate investment might be higher than in the previous year by 15.9 percent. In fact, the primary capital market has been characterised by significant buoyancy, both in terms of number and amounts of new capital issues by non-Government public limited companies. During the first eight months of the current financial year, the number of new issues more than doubled—increasing from 259 to 596 and the average amount per issue also increased substantially, as a result of which, the total amount of issues increased more than fivefold—from Rs [Rupees] 2,020 crores to Rs. 13,723 crores, nearly two-thirds of the total new issues were on right basis. Public investment, however, could have suffered to some extent as a consequence of the overall attempts to contain fiscal deficit. The annual plan outlays of State governments may show a shortfall of ten percent as compared with the original estimates because of the inability of States to raise adequate resources.

Signs of Revival in External Sector

There are signs of revival in the external sector although there is a need for continuous monitoring of trends in order to take pre-emptive action to prevent any pressure on the reserves. During April-November 1992 the value of exports in dollar terms recorded a growth of 5.9 percent over the corresponding months of the previous year. What is encouraging is that exports to the general

currency area (GCA), which are important from the point of view of accretion to reserves, grew by 13.4 percent.

On the other hand, imports too recorded a substantial increase of 18.7 percent during the period as compared with the corresponding months of 1991. This was the result of the release of the pent-up demand consequent to the relaxation of the import controls by both the Government and the Reserve Bank of India. As a consequence, the trade deficit rose to \$3,097 millions from \$1,431 millions in the corresponding months of 1991. However, it was still lower than the deficit of \$4,079 millions observed in April-November 1990.

The analysis of trade balance shows that while there was a deficit of \$3,468 millions in April-November 1992 on account of oil, the non-oil balance showed a surplus of \$371 millions. The success on the external front will to a large extent be determined by the ability to manage the oil sector.

As of January 15, 1993 foreign exchange reserves amounted to \$5.3 billions. Although this indicates a fall of \$300 millions compared with the position at the beginning of the year the fact that it has been possible to maintain the level of reserves more or less does indicate that on a current basis the inflows and outflows are matched. The inflows do of course include exceptional financing.

More Foreign Investment Approvals

There has been a distinct change in the climate for foreign investment. The approvals by the Reserve Bank of India and the Government do show a sharp rise. During the period from August 1991 through October 1992 foreign collaboration approvals were granted to 1,876 proposals (of which 740 were for equity participation), amounting to \$1,224 millions. Of these, 808 were approved by the Reserve Bank and the remaining by the SIA [expansion not given] and the Foreign Investments Promotion Board. The approvals given by RBI include 83 proposals from existing companies for enhancing foreign equity up to 51 percent. Most of the proposals approved both by the Government and the RBI have yet to result in an actual flow of investment. This does indicate that much more work needs to be done to translate the approvals into actuals.

Monetary and Credit Policy

In formulating the monetary and credit policies in 1992-93, while keeping in mind the primacy of the objective of inflation control, measures have been introduced to revive industrial and agricultural production.

Inflation Under Control

There has been a distinct improvement in the price situation during the current financial year so far. The inflation rate as measured by the wholesale price index on a point to point basis in the current financial year up

to January 2, 1993 was 5.7 percent as compared with 12 percent recorded during the corresponding period of the previous year. Even after allowing for the difference between the provisional and final price index, which is about one to one and a half percentage points, there has been a distinct moderation in the price increase in the current year. For the year as a whole the wholesale price index may record an increase between 8 and 9 percent.

Moderation in Money Supply Growth

The pace of monetary expansion during the current year up to December 11 has been 11.2 percent as compared with a 14.2 percent increase in the corresponding period of last year. Though there has been a moderation in the money supply growth, it has already exceeded the target set for the full financial year. There is a continuing need to keep a watch on money supply growth. The slower rate of growth in broad money during the current year as compared with last year has been made possible mainly on account of two factors.

First, the foreign exchange assets adjusted for net draws from the IMF declined this year as compared with a large increase last year. Second, there was a lower expansion of net RBI credit to the Central Government; during the current financial year so far (up to December 25) the fortnightly average level of net RBI credit to the Central Government was Rs. 6,592 crores as compared with the average level of Rs. 9,425 crores during the corresponding period of last year. For the first time, the net RBI credit to the Centre is running at a level lower than the budgetary deficit. The reduction in the net RBI credit to the Centre this year has been in tandem with the Government's declared objective of reducing the gross fiscal deficit from 6.5 percent of GDP during 1991-92 to five percent of GDP in 1992-93.

Cut in Reserve Requirements

If the reduction in fiscal deficit and more particularly the budget deficit is enduring, it provides greater maneuverability to monetary and credit policy, by enabling a reduction in pre-emptions under the cash reserve ratio and the statutory liquidity ratio. In relation to both these ratios, there have been substantial changes during 1992-93. Because of the modifications introduced in these two ratios, the pre-emption of incremental deposits which stood at 63.5 percent in 1991-92 came down to 45 percent in the first half of 1992-93 and further to 25 percent in the second half of the year.

This implies that in the second half of the year, almost 75 percent of incremental deposits are available for expanding credit. In fact, there has been a sharp increase in the non-food credit made available during 1992-93. During the current financial year (up to December 25) credit extended by scheduled commercial banks rose by Rs. 16,405 crores or 13.6 percent as compared with the rise of Rs. 3,450 crores or 3.1 percent during the comparable period last year. To some extent the increase in net bank credit in the current year is also due to the

adjustments which became necessary because of the changes introduced with respect to the bill discounting and rediscounting operations as well as higher receivable finance to be provided to some industries, such as fertilizers. Nevertheless, there has been a significant increase in the provision of bank credit which has been facilitated by significant reductions in reserve requirements.

Fillip To Industry and Agriculture

In fact, recognising the need to provide additional stimulus to industry and agriculture certain measures were introduced on January 18, 1993.

The last few years have seen some important reforms in relation to the administered structure of interest rates. These are (a) considerable rationalisation has been effected in banks' lending rates with reduction in the number of concessional slabs and enhancement in some of the rates, thereby reducing the element of cross-subsidisation; (b) the regulated deposit rate structure has been replaced by a single prescription setting a maximum rate for maturities of 46 days and above; (c) rates of interest on Government securities have been raised; and, (d) for several instruments, such as Certificates of Deposit the interest rates are freely determined by individual banks.

On the deposit side, there is need to give depositors a positive real rate of interest; otherwise funds may move out of the organised financial system into the unorganised system. There is considerable controversy whether the rate of interest is an important variable in determining the overall savings.

Notwithstanding this dispute, there is no doubt that transferable savings are influenced by interest rates. It is relevant to note that the rate of return earned by banks on their entire portfolio of lending including those to Government is no higher than 13 percent. It is the element of cross-subsidisation which becomes essential to some extent that keeps the rates of interest for the large borrowers at a relatively high level.

Moreover, these high interest rates were a part of crucial policy measures undertaken to achieve a turnaround of the balance of payments position. However, from the high level of 20 percent which was prescribed as the minimum lending rate in October 1991, it has been brought down in two stages to 18 percent. In fact, on the last occasion when the lending rate was lowered, the maximum deposit rate was also lowered. Any downward adjustment in the lending rate is possible only if the deposit rate is also lowered. Otherwise the viability of the banking system will be severely affected. In determining the deposit rate, one has to take into account the perceptions of depositors as well as the returns available on alternative financial assets. At this juncture, interest rates will be kept under continuous review. It is not the intention of policy to keep a real lending rate at a very high level over a long period.

World Bank Lending Arm To Double Assistance

93AS0624A Bombay *THE TIMES OF INDIA*
in English 4 Feb 93 p 18

[Article: "IFC Funding to India Will Be Doubled"]

[Text] New Delhi, Feb. 3 (PTI). The International Finance Corporation (IFC), the private lending arm of the World Bank, will double its assistance to India to \$400 million this year and step up equity proportion of such investments.

This emerged at a meeting between the IFC executive vice-president, Sir William Ryrie, and the finance minister, Dr. Manmohan Singh, here today.

During the discussions, the IFC chief expressed his appreciation of the continued reforms process in India and the thrust it had created for attracting additional private investments in India.

IFC has currently received a substantial number of proposals for projects in the power, petrochemicals and other sectors, some of which were in an advanced stage of consideration.

Sir William said next year would see increased investments in several infrastructural projects particularly in power, petrochemicals and telecommunications with considerable foreign investment flows.

The corporation has also submitted two specialised reports on India. The first relates to reforms in the Indian capital markets, which would enable our market to become globally competitive and efficient.

Official sources said these proposals need to be considered further in consultation with the financial institutions and the Securities and Exchange Board of India (SEBI).

The second report relates to the investment opportunities in the private sector, compared to those in other developing countries like China, Indonesia, Thailand and Mexico.

The IFC was also in close interaction with the World Bank for monitoring progress relating to industrial restructuring and large public sector undertakings, such as HMT.

Sir William was assisted in the talks by Mr. Varel Freeman, the new director of IFC's Asia department, and Dr. Manmohan Singh by Mr. N. K. Singh, joint secretary.

Finance ministry sources had indicated that during the talks India would persuade the IFC to enhance its assistance to \$300 million a year.

The amount indicated by Sir William Ryrie is \$100 million more than expected. At present the average annual commitment of IFC in India is around \$200 million.

The IFC chief at a meeting with captains of Indian industry here emphasised that the World Bank and IFC stood committed to Indian efforts in the direction of public sector disinvestment. This was a field in which IFC had expertise and he was looking forward to an accelerated programme in this area, Sir William added.

He expressed confidence that India had the potential to attract much larger quantities of foreign investment in the medium term.

Sir William said that providing incentives comparable to countries undergoing the same economic transformation would go a long way towards attracting foreign investment.

UNI adds: Mr. Varel D. Freeman, the director of the IFC's Asia department, was confident that India would be successful in its economic transformation and added that IFC is focusing on infrastructure, including power and telecommunications. The IFC is also helping major companies to launch their maiden issues in the international markets.

On behalf of the Federation of Indian Chambers of Commerce and Industry (FICCI), Mr. M. V. Arunachalam, welcomed the IFC's participation in the non-banking financial sector.

Dr. N. M. Dhuldhoya, president of Assocham, said that the Indian economy had embarked on a path of integration with the global economy and welcomed IFC's assistance in playing a catalytic role in identifying the competitive advantages that the country enjoyed so that global-sized manufacturing bases could be planned in India.

Mr. K. N. Shenoy of the Confederation of Indian Industry said that the Indian private sector looked forward to much interaction with the global economy and to investment from the IFC in the infrastructure development now that much of this sector has been thrown open to the private sector.

Import Duty on 35 Consumer Items Reduced

93AS0614A Calcutta *THE STATESMAN* in English
10 Feb 93 p 1

[Text] New Delhi, Feb. 9—Giving an added impetus to the on-going liberalization programme, the Government today liberalized the import of silver and drastically reduced the Customs duty on 35 consumer durable items imported as baggage.

While permitting the free import of silver up to 100 kg per passenger, the Government has drastically reduced the rate of Customs duty applicable to specified baggage items to 150 per cent and valorem (basic 105 per cent plus auxiliary 45 per cent) from the previous level of 255 per cent ad valorem. The move to liberalize import of silver, according to an official statement, has been initiated with a view to curbing smuggling.

The items include fax machines, personal computers, video cameras, cordless telephones, cellular telephones (for cars) and other household goods such as washing machines, television sets, video cassette recorders, compact disc players, dishwashers and refrigerators. A Customs notification to this effect was issued here today.

There is no condition of minimum stay prescribed for availing of the concessional rate of duty. However, the total value of goods which would be eligible for this rate has been fixed at Rs [Rupees] 1.50 lakhs. This exemption is in addition to the duty free allowance and other concessions available to passengers under the baggage rules.

The Government has also allowed the import of silver including ornaments by passengers of Indian origin or passengers holding Indian passports on payment of a concessional rate of import duty of Rs 500 a kg. But it has excluded import of ornaments studded with stones or pearls, silver coins regulated by the Reserve Bank of India [RBI] under the Foreign Exchange Regulation Act.

Further, it has been notified that the duty will be payable in convertible foreign currency. The import of silver will be subject to the condition that the passenger should be returning to India after a minimum period of six months' stay abroad.

Finance Ministry sources said the quantification of revenue expectation following the relaxation in Customs on baggage items had not been made yet, adds PTI.

Through the silver import the Government hopes to get 600 to 800 tons of silver and about Rs 1,000 crores in one full year by way of duty in convertible currency.

The demand for silver in the country is roughly around 1,500 tons a year. Out of this 500 tons is obtained within the country through recycling. About 1,000 tons are smuggled every year.

While reducing Customs duty, the Ministry said, care has been taken to see that this does not hurt the domestic industry. Apart from curbing smuggling, it would increase revenue, the sources hoped.

Silver prices fell to their lowest levels on the bullion market in Bombay today in nearly two years to Rs 6,100 per kg on account of panic selling by stockists and upcountry operators following the announcement by the Union Government to legalize silver imports and its ornaments.

Resuming slightly easier at Rs 6,600 prices slumped in the wake of the announcement of the scheme and tumbled down by nearly Rs 600-per kg on sporadic selling pressure to close at Rs 6,100 from Rs 6,665 previously. The sentiment was also affected by bearish upcountry advices. In Delhi markets, silver slumped by Rs 620 to Rs 5,900 while in Calcutta it fell by Rs 175 to Rs 6,450 per kg.

Allowing import of silver including ornaments by passengers of Indian origin or those holding Indian passports on payment of concessional duties, would avoid smuggling across the border and earn revenue to the national exchequer, the president of the All-India Manufacturers' Association, Mr V. Kalantri, stated.

Trade Gap More Than Doubles in 9 Months

93AS0612A Bombay THE TIMES OF INDIA
in English 11 Feb 93 p 17

[Boldface words as published]

[Text] New Delhi, February 10 (PTI)—India's trade deficit has more than doubled during the first nine months of the current financial year compared to the same period in 1991-92.

The trade deficit during April-December 1992-93 is estimated at \$3,555.38 million, against \$1,628.31 million in 1991-92.

The aggregate exports in dollar terms during the period are estimated at \$13,075.15 million, against \$12,643.50 million in the corresponding period of 1991-92, signifying a growth of 3.4 per cent.

The export performance was higher when exports to the general currency area (GCA) were considered. Exports to GCA during April-December 1992-93 are valued at \$12,600 million, against \$11,310.04 million in April-December 1991-92, indicating a 11.4 per cent growth.

Imports in dollar terms during the period April-December in 1992-93 are estimated at \$16,630.53 million, against \$14,271.81 million in the period in 1991-92, showing a 16.5 per cent growth rate.

In rupee terms, aggregate exports during April-December this fiscal year are estimated at Rs 37,329.43 crores, against Rs 30,332.02 crores during April-December 1991-92, showing a growth of 23.07 per cent.

Exports to GCA in rupee terms are up by 32.58 per cent from Rs 27,133.02 crores in April-December 1991-92 to Rs 35,972.88 crores in the period 1992-93.

Exports to rupee payment area are Rs 1,356.55 crores in April-December 1992-93, against Rs 3,199 crores in the corresponding period of 1991-92, showing a decline of 57 per cent.

Imports in rupee terms during April-December 1992-93 are estimated at Rs 47,480.01 crores against Rs 34,238.35 crores in the first nine months of the previous financial year, signifying a growth of 38 per cent.

The trade deficit in rupee terms during the first nine months of this financial year is thus Rs 10,150.58 crores, against Rs 3,906.33 crores during the same period of 1991-92.

UNI adds: The items which traditionally dominated India's exports in the international market have shown satisfactory performance in the current financial year, sources said.

India Participates in Military Arms Exhibit

*93AS0610A Bombay THE TIMES OF INDIA
in English 12 Feb 93 p 11*

[Text] Abu Dhabi, Feb. 11 (UNI)—India is taking part for the first time in a defence exhibition in the Gulf as part of its recent drive to boost arms exports after decades of a self-imposed embargo.

From light artillery to mortars and munitions as well as electronics and uniforms, India is displaying more than 100 items at the first five-day international defence exhibition (IDEX) being held from Sunday.

Delegations from all the oil-rich and other West Asian countries are likely to visit the exposition to purchase about \$100 billion worth of arms that their countries need till the turn of the century.

Mainly land and naval weapons are being exhibited here as Dubai, the second-largest emirate of the United Arab Emirates (UAE), holds an air show every two years.

The United States, Britain, France, Germany, Italy and Russia are displaying their most sophisticated tanks, artillery pieces and warships and an opportunity is available to all the over 30 countries taking part in it to hold live demonstrations.

Among the items displayed by India is the pilotless target aircraft, and according to the Indian ambassador, Mr Ranjit Sethi, some of the Indian items were outstanding in terms of the price-performance ratio.

Mr Sethi said that an eight-member Indian delegation led by the minister of state for defence, Mr Mallikarjun, was due to take part in the IDEX and negotiations on any serious inquiries could be initiated right away.

The joint secretary in the Indian defence minister [as published], Mr S. Dasgupta and chairman of the Indian Ordnance Factories board, Mr K. Dwarkanath are among the team.

The Gulf states have finalised more than \$20 million worth of arms deals with Britain, France and the United States in the last couple of years for main battle tanks (MBTs), warplanes, missiles and anti-missiles.

Competition within them is tough and efforts are already on by them to sell their merchandise in the oil-fuelled arms bazaar.

Kuwait has already signed a \$4.5 billion deal with the U.S. General Dynamics for M1A2 MBTs in preference to the British Challenger.

Delegations from the Western states have arrived here to present elegantly and effectively the capabilities of their equipment.

Besides India, defence ministers are coming from the Netherlands, Britain, Pakistan and three other countries.

According to a Qatar news agency (QNA) report from Islamabad, Pakistan has proposed to sell its indigenously-manufactured Mushak basic trainer and a jet trainer based on Soviet MIG technology that it obtained through China.

An interesting exhibit is the U.S. guided missile frigate USS Samuel B. Roberts that was nearly sunk by an Iranian mine in 1988. The explosion shattered both the turbine engines of the vessel and there was a fireball 150 metres high.

It was however given a piggyback ride on a Dutch salvage ship, taken back to the U.S. for a year of repairs, and is now at the Port Zayed here for a spick-and-span display.

Another U.S. ship is La Salle, that till recently was the command ship for the U.S. forces in the Gulf. In its 30 years of service, it has been used for evacuation, from Cuba and Iran of U.S. citizens, and as the command post and the flagship for the U.S. navy in the Gulf during the Kuwait liberation war.

The organiser, Virginia Kern of the Fairs and Exhibitions Limited of London which is holding the IDEX for the U.A.E. government, said that both the air show and the current exhibition are highly successful as regional buyers get a first-hand chance to assess the equipment available in their environment.

Joint Naval Exercises With Singapore Held

93AS0611A Bombay THE TIMES OF INDIA
in English 11 Feb 93 pp 1, 13

[Article by Dinesh Kumar: "Naval Exercises Off Andamans"]

[Text] The Times of India News Service, New Delhi, Feb. 10—India commenced a four-day first-ever tactical joint naval exercise with Singapore off the coast of the Andaman islands in the Andaman seas today, following the arrival of two warships of the royal Singapore navy at Port Blair early this morning.

The exercises, which will be elementary in nature, will involve the Dornier aircraft of the Indian navy and the coast guards in air tracking manoeuvres. The exercise will include surface shooting, screening and other tactical sea manoeuvres.

The participating Singapore warships are RSN Valour, a 650 ton patrol vessel, and RSN Sea Lion, a fast attack craft under the overall command of Lt Col Simon Ough, while the Indian side is represented by INS Anjadip, a Soviet made Petya class anti-submarine frigate, and INS Kirpan, a Corvette, under the overall command of Captain S. Swaminathan.

In addition a third Indian naval vessel will be involved in tugging targets for surface shooting by the participating warships of both the countries. Indian warships are expected to visit Singapore either later this year or early next year for a second round of exercises which will involve advanced manoeuvres including perhaps submarines.

It may be mentioned here that during his visit to India, the Singapore minister for information and arts and second minister for external affairs, Mr George Yeo, had emphasised the need for speedy execution of the Singapore-Madras industrial corridor project. Singapore recognises India as a sectoral dialogue partner of Asean [Association of South East Asian Nations] and envisages a growing partnership between India and other Asean nations.

In fact a bonanza of bilateral naval exercises has been scheduled with several Asian nations this year indicating a gradual warming of ties. India is gearing up to hold for the first time joint naval exercises with Thailand and Malaysia in either April or during autumn this year when the Indian warships are likely to port call at these countries.

Similarly a joint naval exercise with Indonesia, for the second time, has also been scheduled for this year. Mutually acceptable dates are being worked out with these countries which have indicated a desire to hold bilateral exercises after India invited these countries, among other Asean nations, for multi-littoral exercises last October. However, Philippines has till now indicated that it would be willing to participate only as an observer.

India is also planning to hold joint naval exercise with Britain off the Indian coast after a British warship arrives in Goa on a scheduled port call this April. The proposal is awaiting clearance from the ministry of external affairs. The exercise with the British warship will involve two to three naval vessels from the Indian side. India and Britain had held joint naval exercises last year after a gap of more than two decades. Last year India had held joint naval exercises with the United States, France and Australia.

In a significant development Oman, with whom India held a two-day joint naval exercise in mid-January, has requested India to carry out a hydrographic survey of the Omani coast. According to defence ministry sources, India has already submitted a proposal to Oman which is awaiting formal acceptance from that government even as the Omani navy is learnt to have given its approval. As proposed, the exercise will involve one survey ship of the Indian navy and will take nine months to complete.

During the first joint naval exercises with Oman, held off the coast of Muscat, the participating Indian naval vessels—INS Ganga, a frigate, and INS Khukri, a Corvette, had been asked to "attack" the Omani oil rigs and installations being "defended" by the two Omani participating warships. Sources said that the joint exercise had been received well by Oman.

The United States which has been lowering its global security umbrella, has been encouraging regional powers to enhance its defences. Some non-fundamentalist countries in the Gulf have been showing interest in India. And goodwill visits by Indian warships to these countries has helped develop a closer bilateral understanding.

Significantly, Indian warships involved in relief duties under the United Nations aegis in Somalia have been carrying out joint manoeuvres with naval ships of other participating nations, including most notably Turkey. Turkey has posted two naval ships, while Canada, United States, and Australia have a ship each. Canada has a tanker, HMCS Preserver, which has been entrusted the task of providing fuel and water both on the high seas and ports to ships of other countries.

INS Kuthar and INS Cheetah, the two Indian warships which had been despatched on December 17 to famine stricken Somalia had returned last Monday after having been replaced with INS Sukanya, a patrol vessel which had arrived in Mogadishu on February 1.

Indian warships have essentially been performing escort duties for U.N. requisitioned civilian relief ships plying between Mombasa (Kenya) and Mogadishu (Somalia); and within Somalia between Mogadishu and Kismayu to check against any possibility of piracy of relief supplies.

Spinoff From Light Combat Aircraft Program Hailed

93AS0598A Madras THE HINDU in English 28 Jan 93
p 8

[Article by Atul Aneja: "LCA—A Technological Leap"; first paragraph is THE HINDU introduction]

[Text] The Light Combat Aircraft (LCA) project taken up by pooling scientific talent from different Government enterprises holds the prospect of a technological leap with spinoff benefits for use in civilian industry. Atul Aneja analyses the position after an interview with Dr. Kota Harinarayana, heading the project.

Is the criticism, which at the extreme, calls for winding up the Light Combat Aircraft (LCA) project, a subtle way of diluting the nation's resolve for self-sufficiency? Though much has been written against the project, some going to the extent of terming it a "white elephant," the scientific community wonders if the exercise was to divert attention from the potential and actual contribution of the project towards building a sound and permanent high technology base.

A very strong foreign lobby appears to be working against the national interests in the matter of scientific advancement. Commenting on the working of the foreign lobby, the former Scientific Adviser to the Defence Minister, Dr. V. S. Arunachalam, once said, "There is a great deal of an invisible foreign lobby decrying indigenous development. In fact, at one time I had maintained a positive correlation of newspaper attacks on one of our projects with the arrival of a known foreign vendor."

Moreover, a small but yet significant effort to stem the brain drain, was being sought to be dismissed with the help of financial arguments, many feel. Such arguments can only drive away the scientific personnel to greener pastures abroad because of allurements. In comparison to the developed West, investments in pure science and research and development in the country are paltry.

Most of the ambitious scientific projects are of long gestation. If the scientific community was kept on tenderhooks, on financial arguments and pestered for results in the short run by short-sighted politicians and bureaucrats, it would be a national loss. Thus there is a strong argument for giving the scientific community a longer rope—time, money—and pass the judgment. More so, as the "providers" are yet to develop a sense of "strategic thinking" in technology sphere, i.e.: ploughing resources to achieve pre-determined results in key areas irrespective of costs.

Advancement in science and technology lead to tangible profits in the long run, when the achievements get translated into production of goods and services.

The LCA project has begun to spin off visible and concrete computer-based applications for the civilian industry. Much has been written on the pros and cons of

the project. Several voices have at regular interval, chorused arguments against the project—some even suggesting its termination.

Partly, the controversy rages because the programme aims at developing in the country an aircraft of unprecedented sophistication. The LCA will incorporate highly advanced materials (over 30 per cent of its structure would be made of composite materials), a modern engine and state-of-the-art avionics. It will also have the capability for in-flight refuelling enabling it to acquire a "force-multiplier" dimension. All these will equip the multi-role plane with a capability to deploy a weapons load of over 4,000 kg, which would be configured on seven multi-purpose store stations. Most importantly, the IAF [Indian Air Force] will get more "Indian" teeth, if and when this type of aircraft rolls out of the assembly line.

Central to resolving the debate on whether the LCA should be produced at all is the answer to a key question. Is the project a strategic programme—an indispensable engine which significantly contributes to development of materials as reason enough to dump the programme as ambitious as the state-of-the-art LCA. Further, a lot has also been said about the high costs in producing the plane. Why develop an indigenous plane when there are cheaper procurement alternatives, many ask.

Critics, however, gloss over a basic. Technology has an important political dimension—it has been used as a political weapon by advanced countries with a few exceptions (such as the releasing for India by the U.S. the IBM-3090 computer and GE-404 engines). In the past, technology was wielded as an instrument to establish political influence. This has been more on the technology-hungry segments of the developing world with a potential and urge to graduate into the developed league.

By denying access to technology—through related cartels such as the Coordination Committee on Multilateral Export Controls (COCOM), the Nuclear Suppliers Group (controls flow of nuclear technology by a handful of countries), the Missile Technology Control Regime (MTCR) and the Australia Club (influences the global flow of dual use chemicals), a group of developed countries attempts to influence decision making in its favour—sometimes for security reasons—but more often than not, to retain market dominance in key areas.

Defence-related research and development projects have been the precursors to technology development with widespread applications.

In fact, the progress of one of the most successful aircraft manufacturers in the world—and development of its Boeing 707 model—is a case in point. This model was nothing but a civilianised version of the KC-135 refuelling aircraft (enables air-to-air refuelling), developed by the U.S. Air Force as a force multiplier. But before this plane could be developed, huge investments were pumped into research and development. On several

occasions, in many areas, defence R and D releases capabilities which have widespread spinoffs.

The television set emerged as a technology in the Second World War. It was the wartime development of plastics which enabled the cutting down of costs literally of millions of items produced after the war. The substance from which nose cones of space modules were built has yielded the material to cap teeth.

In Bangalore, the impressive infrastructure being installed around the LCA programme and the pioneering work in several spheres will yield a high technology base from which the aerospace industry could make a quantum jump.

Talking of spinoff, the installation of IBM-3090 computer at the Aeronautical Development Agency (ADA) in 1987, has been a benchmark—heralding a new era in the design and development capabilities. Along with 5,080 terminals, CATIA software, CV work stations and Medusa software—a much needed capability to design a world class aircraft, has been acquired, and CATIA software has been chosen as the standard for design for the European Fighter Aircraft (EFA) and the French Rafale project.

The LCA programme has made pioneering forays in creating in the country highly developed Computer Aided Design and manufacturing (CAD-CAM) facilities. CAD—configured around which have been 20 new technologies—involves the application of computer technology to design. It enables a designer to use a computer terminal as a window to data, a drafting board and a tolerance analysis tool.

Complimenting CAD, Computer Aided Manufacture—a computer based system which allows unloading of design parameters to the shopfloor through linkage with a CNC machine interface—has been developed. Not only does the facility allow manufacture through the computer route, it also ensures that inventory control, manpower scheduling, order processing, etc., are integrated with design and process control.

Further, it is in developing software related to CAD/CAM that the LCA programme has contributed significantly. Among CAD/CAM centred facilities—several inter-related software packages have been developed

in-house. Some key related software include CAFE (enables extraction of form features of component geometry from drawing) that enables “dissection” of the component on computer.

In addition, a new software, CAMPAC, in correspondence with a number of sub-system software computer-aided planning of processes too, is a by-product of the LCA project. This allows sequencing of production components. And for computer aided tool design, AID Pune—one of the nearly 100 work centres associated with the LCA—has developed the software GITA. Packages such as AUTOLAY have been developed in-house in the ADA to aid the design of composite laminates.

In fact, scientists and engineers at the Aeronautical Development Establishment (ADE), exude confidence on their ability to handle computer software and hardware inputs for a variety of applications. More so, as they have developed the Mission Computer (MC)—the “brain” of the aircraft. One of the key areas in the plane, the entire avionics architecture, is configured around the MC by means of three 1553 digital data buses.

In addition, there are other success stories in the ADE. Work on cockpit displays, the head-up display—the electronic display of flying parameters of the plane and its environment aligned at the pilot’s eye level as well as the display processor—is nearing completion. Moreover, the setting up of a dynamic avionics integration rig—where, a young and bright lot representing famous names in private industry spend dedicated hours in finetuning the aircraft.

Not far behind the MC is the progress on the engines. Dr. Krishnan, director of the Gas Turbine and Research Establishment (GTRE)—the nodal agency working on the power plant side, feels that the Kaveri bypass engine being developed for the plane would be ready by 1994. After extensive testing and feedback got after running the engine for nearly 7,500 hours thereafter it is expected to enter production in 1997. In any case, for the LCA prototypes, the American engines—GE F-404 have been procured by ADA.

When its contribution to building an aerospace industry is so obvious, there are strong grounds for dealing with the LCA project as a priority strategic programme—where long term political and economic gains far outweigh temporary financial concerns.

Panel on Backward Classes Established

93AS0620A Calcutta THE TELEGRAPH in English
2 Feb 93 p 1

[Article: "New Panel on Backwards"]

[Text]

Government Issues Ordinance To Implement Supreme Court Order

New Delhi, Feb. 1 (UNI): The Centre tonight issued an ordinance to set up a permanent commission to identify backward classes eligible for the benefits of reservation as directed by the Supreme Court.

The ordinance also provides for setting up a three-member expert committee to specify the requisite socio-economic criteria for excluding socially advanced persons from among backward classes—better known as the "creamy layer"—from the benefits of reservation, an official spokesman said.

Earlier today, the Union Cabinet approved the constitution of a permanent commission to be headed by a retired judge of the Supreme Court or High Court. It also cleared the setting up of a three-member expert committee.

The task of the commission—which will be a statutory body—would be to entertain and scrutinise requests for inclusion and complaints of over-inclusion and under-inclusion in the lists of backward classes.

The commission would have as its members a social scientist, two prominent public men with special knowledge concerning backward classes and a member-secretary who is or has been an officer in the rank of secretary to the Government of India.

The commission would enable the Centre to comply with the directions given by the Supreme Court in its majority judgment on November 16, last year, in the Mandal case. The Cabinet also approved creation of the necessary staff for the permanent commission. The recommendations of the body will ordinarily be binding on the Union government. If the Centre does not agree with its recommendations, it would have to record its reasons.

The commission would be vested with the necessary powers to make a proper and effective inquiry. It may be consulted by the Union government from time to time while undertaking revision of lists of backward classes.

Primary Education Ruled a Fundamental Right

93AS0622A Bombay THE TIMES OF INDIA
in English 8 Feb 93 pp 1, 13

[Article: "SC Puts Limit on Capitation Fee"]

[Text]

Education Up to 14 Fundamental Right

New Delhi, Feb. 4. By a 3:2 verdict the supreme court today ruled that primary education up to the age of 14 years was a fundamental right and allowed private educational institutions to charge a higher fee than what is fixed by the government-aided or recognised institutions.

Holding that the right to education was not absolute, the judges said it depended on the "economic capacity and development of the state." The majority judgment was delivered by Mr. Justice B. P. Jeevan Reddy, Mr. Justice S. R. Pandian and Mr. Justice S. Mohan. While the former delivered a common 125-page verdict, Mr. Justice Mohan gave his reasons in a separate 60-page judgment.

The chief justice, Mr. Justice L. M. Sharma and Mr. Justice S. P. Bharucha declined to give their opinion on the issue saying it was not involved in the present petitions. However, they said it should be referred to a large bench for its consideration. The minority verdict declared that there was no fundamental right to education for a professional degree under article 21 of the constitution.

The court declared that section 3-A of the Andhra Pradesh Educational Institutions (regulation of admission and prohibition of capitation fee) Act, 1983 was unconstitutional. The state high court had already ruled so resulting in the resignation of the chief minister, Mr. N. Janardhan Reddy, who had permitted his wife and a brother to run a private medical college in Nellore. The chief minister had given permission to 18 medical and two dental institutions in the state.

While reserving its indulgence to Mr. Reddy's appeal for expunction of strictures passed on him by the high court, the court said the state government's legislation was meant to give a "free hand for exploitation and more particularly, commercialisation of education."

The court said the constitutional obligations created under Article 41, 45 and 46 could be discharged by the state by establishing its own institutions or by aiding, recognising and affiliating private educational institutions. Unaided institutions could not be insisted on charging the fee fixed by the state-owned institutions, private institutions were entitled to charge a higher fee the court said and added but it should comply with the court's scheme.

It also declared that although it was a fundamental right to set up an institution, no citizen or institution has a fundamental right to affiliation or recognition or to grant-in-aid from the state. The recognition henceforth would be given in accordance with the scheme.

The judges also allowed the students, who were admitted by the Andhra Pradesh private unaided engineering colleges without allotment of convener of entrance examination, to continue their studies during 1992-93.

The private institutions have been directed to charge only "government fees" from these students. The balance of the amount which the students had already paid should be remitted to the government account within six weeks, in default their recognition would be withdrawn, the court directed.

The scheme evolved by the court is in the nature of guidelines which must be adhered to while granting affiliation of recognition to the professional colleges by the respective states.

The nine-point scheme envisages setting up a professional college only by a society registered under the Societies Registration Act, 1860, or by a public trust, religious or charitable institutions. "No individual, firm company or other body of individuals will be permitted to establish a professional college," the court ruled.

All the existing professional colleges which do not conform to the scheme have been directed to adhere to the scheme failing which the affiliation or recognition granted to them would be withdrawn, the judges added.

At least 50 per cent of the seats in every professional college be filled up by candidates prepared to pay a higher fee with a ceiling to be fixed by the committee constituted by state government. At least 50 per cent of the seats in every professional college be filled up by the nominees of the government or university. These "free seats," the court said, be filled up on merit to be determined on the basis of a common entrance examination. The court recommended common entrance examination for regulating admissions to these institutions.

The judges declared that, "There shall be no quota reserved for the management or for any family caste or community" which may have established such an institution.

However, the managements of professional institutions would be allowed to reserve seats for constitutionally permissible classes. The role of merit, the judges said, would be followed even in such reserved categories.

Saying that the number of seats available to the professional colleges would be fixed by the appropriate authority, the judges explained that "no professional college shall be permitted to increase its strength except under the permission or authority granted by the authority."

The competent authority alone would call for applications for admissions in the professional institutions, the judges said.

Draft on Guidelines for Human Rights Commission Completed

93AS0613A Calcutta *THE TELEGRAPH* in English
10 Feb 93 p 4

[Article by Murali Krishnan: "Draft on Human Rights Body Finalized; Commission To Enjoy Constitutional Powers"]

[Text] New Delhi, Feb. 9—The home ministry which has finalised the guidelines under which the National Commission on Human Rights (NCHR) will function, has decided to only entertain cases which are not subjudice.

Since taking up cases which are before the courts would lead to conflict, ministry officials have decided that the NCHR could only recommend prosecution of offenders to appropriate authorities. The proposed draft which runs to almost 45 pages outlines the various functions of the NCHR and the work it will set out to do once it comes into existence.

The idea to set up the NCHR was following pressure from other international organisations like Amnesty International and Asia Watch. It was agreed in the last winter session to set up the NCHR to effectively thwart the entry of these international bodies into the country.

The commission has decided to advise authorities for "redressing grievances in the field of human rights based on a contextual understanding of the situation, particularly the social bias, if any, against particular sections of the population." It has also been decided that the NCHR will be a statutory body as it will have the same powers as a constitutional body.

Against this background, it was decided that state governments will have to commit themselves to undertake follow-up action on the recommendations of the commission. The NCHR has yet to decide on the question of whether the commission will look only into excesses of governmental agencies and the state apparatus, or whether it should also look into violations of human rights by others as also by terrorists and secessionist groups.

The draft says, the NCHR is yet to consider "whether all these aspects should be looked into in its totality or just the actions of the governmental agencies."

The NCHR draft notes since the armed forces and paramilitary forces have their own special courts and enactments, it will have to think twice before bringing it under its review. As for NGOs [Nongovernmental Organization], active in the field of human rights, the commission has decided to operate independently on those having strong political leanings.

The commission will have five members of which one will be elected chairman. The term of each member will be for a period of five years. Eminent persons from

public life having experience in law, administration, journalism and public affairs would be selected for the NCHR.

Though conceived as a fact-finding body, the NCHR will have to operate through the existing investigative agencies such as the state police, criminal investigation departments of the states and the CBI [Central Bureau of Investigation]. It has been laid down that the evidence before the commission will have the powers of a civil court.

It has also been decided that the commission will not have subordinate offices in other parts of the country as it would lead to duplication and "even conflict" with other existing agencies.

Like other standing commissions, there will be an annual report of the commission, "though it may submit special reports on important issues in its discretion." Since the findings of the NCHR will be important it has been decided to "place the reports before Parliament as also the legislatures of the concerned states."

The proposed framework allows for a chairman of the NCHR which will be announced by the President on the recommendations of a committee comprising the Prime Minister, Speaker of the Lok Sabha, the Union home minister, leader of the Opposition in the Lok Sabha, the Chief Justice of India and the deputy chairman of the Rajya Sabha.

Since the commission will need to regularly liaise with investigative agencies, it will be provided "with a core staff of police officers on deputation headed by an officer of the rank of a director-general of police."

While functioning, it has been noted that the NCHR will take evidence in the form of affidavits as it will cause inconvenience to people to traverse all the way to Delhi.

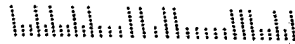
On the nature of complaints it will entertain, the NCHR will not pursue incidents that may have occurred before a period of 12 months from the date of complaint. It will also not entertain a complaint where a competent authority certifies that it is not in the interest of national security or public order to provide any information or documents to the commission.

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